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# INTERNATIONAL NARCOTICS CONTROL

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Y 4. IN 8/16: N 16/4

International Narcotics Control, 10...

HEARING  
BEFORE THE  
COMMITTEE ON  
INTERNATIONAL RELATIONS  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED FOURTH CONGRESS

FIRST SESSION

OCTOBER 31, 1995

Printed for the use of the Committee on International Relations



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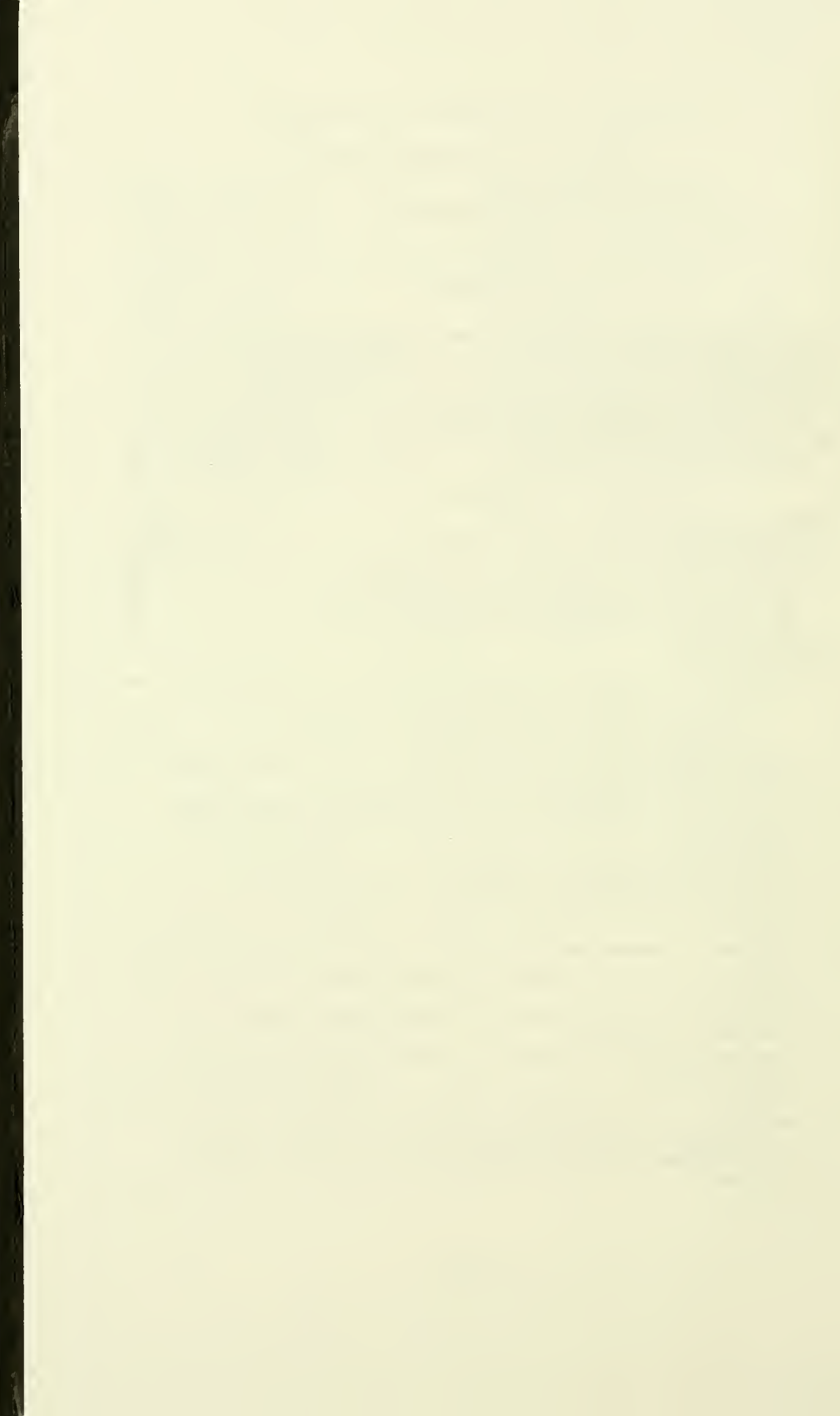
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# INTERNATIONAL NARCOTICS CONTROL

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TUESDAY, OCTOBER 31, 1995

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON INTERNATIONAL RELATIONS,  
*Washington, DC.*

The committee met, pursuant to call, at 10:10 a.m., in room 2172, Rayburn House Office Building, Hon. Benjamin A. Gilman (chairman of the committee) presiding.

Chairman GILMAN. The committee will come to order. We regret the delay due to a White House briefing this morning.

Today's hearing is on the international struggle against drugs, and our Subcommittee on Asia, Western Hemisphere, and Africa, at my request, have held prior hearings on regional issues regarding certification of the major drug-producing or transit nations. I am extremely grateful to the subcommittee chairmen and their members who helped with these important regional proceedings.

Today we will be examining the broader picture of our overall international strategy in preventing drugs from reaching our shores. For once here, the effect, we know, is on our inner cities and schools and add billions of dollars to our societal costs from crime, incarceration, health care, lost worker productivity, absenteeism.

Vice President Gore recently put the annual costs to the United States associated with illicit drug use at a very conservative \$67 billion figure. Several years ago at a White House conference with CEO's, it was estimated to be several hundred billions of dollars of losses. I believe the costs are much higher. Whatever the costs may be, the destruction these drugs do to our families, to our young people, to our governmental structure, requires our best efforts to prevent their spread.

Today we look forward to hearing from the director of the Office of National Drug Control Policy, and from our dedicated and courageous law enforcement agencies. Together, we will examine our efforts overseas in the major producing and transit zone nations.

I was outraged at recent false allegations against the DEA in Colombia on the taking of innocent lives when they are fighting to save lives. Not long ago in fact, in the mountains of Peru, five of our courageous DEA men and women gave their own lives in this deadly struggle. A U.S. Customs officer was also run down and killed by drug runners along the southwest border not too long ago. These and other daily sacrifices that our law enforcement agents make regarding drugs are real, considerable, and take their toll. We appreciate every one of them and often do not fully comprehend the dangers they are confronted with.

Illicit drugs must become a major foreign policy consideration of our Nation, or we will continue to incur these intolerable costs. We must re-examine our Nation's remedies and options with those nations who refuse to fully cooperate with us to eliminate this deadly flow of destructive poisons into our own Nation.

No nation can tolerate the staggering costs and maintain the status quo on diplomatic and commercial trade fronts. In fact, if included as part of our overall balance of trade, the costs of illicit drugs on our society dramatically shift the true picture of our overall trade imbalance of the major drug-producing or transit nations.

The American people know what must be done. A recent survey of opinion of U.S. foreign policy by the Chicago Council on Foreign Relations indicated that 85 percent of the public believes stopping the flow of illicit drugs to our Nation is a No. 1 issue, even ahead of concern for protecting our U.S. jobs.

Heroin use in particular has sharply increased over the past few years because of widespread availability, lower prices, higher purity, and other methods of consumption besides injection. We are still awaiting the Administration's long overdue heroin strategy to address this worsening situation, particularly from Asia.

In Latin America, the Cali cartel today faces its most serious challenges, to the Administration's credit, and especially that of the Colombian National Police, which has lost many of its courageous police enforcement officers.

In Peru, due to that nation's successful air interdiction efforts, along with developments in Cali, the price of coca leaf has fallen considerably from \$70 to \$7 per 25 pounds. On the streets of our cities, we see the reverse because of reduced production and trafficking; cocaine prices may be up as much as 20 percent, making it even more difficult for our young people to obtain this deadly poison.

We must take advantage of this new situation and make sure that the second tier of the Cali cartel is taken out and that no new leadership in Colombia or elsewhere in the Americas is permitted to rise and take over control of this deadly trade.

I was pleased to see the President's very strong message at the United Nations on the need for greater international cooperation in fighting the drug trade. At home, the President's initiative to use the national security authority under IEEPA to seize the Cali drug cartel's assets, along with his renewed efforts against money laundering, is certainly welcome. It is also a clear recognition of the seriousness of the threat that our Nation faces from drugs.

At a later hearing, we will be hearing from many outside experts in the struggle, both here and abroad. We have a successful record we can be proud of in fighting drugs, particularly when we simultaneously and aggressively engage this battle both on the supply and on the demand sides. If skeptics who say that nothing works would just take the time to talk to the experts, to listen, they would know better.

When we battled this scourge by reducing supply through eradication and interdiction, along with strong law enforcement efforts, combined with working to reduce demand through education, treatment, and rehabilitation at home, the results were striking.



Judge Bonner, a former DEA administrator under President Bush, had pointed out that between 1985 and 1992 we had a reduction in cocaine users from some 5.8 million down to 1.3 million users, a nearly 80-percent reduction in monthly use. I wonder how many of our Federal programs can point to that kind of success?

As these impressive results clearly demonstrate, there are ways to deal with this problem, and today we will hopefully revisit them. Before we begin, I would ask if any of my colleagues have an opening statement.

Mr. Menendez.

Mr. MENENDEZ. Thank you, Mr. Chairman.

Mr. Chairman, I want to commend you for your efforts that are long standing in this regard, and today's hearing is just another manifestation of that.

Mr. Chairman, in 1993 Americans spent \$49 billion on drugs, \$31 billion on cocaine, \$7 billion on heroin, \$9 billion on marijuana, and \$2 billion on other illegal and legal drugs used illicitly. Imagine what our economy could do with another \$49 billion annually spent in legal ways.

Mr. Chairman, each of us knows the real costs of drug use and drug trafficking by far exceed their monetary value. Drug use fosters crime and facilitates the spread of diseases like hepatitis, endocarditis, and, of course, AIDS. Drugs destroy our neighborhoods and families, and, according to our Partnership for a Drug-Free America, drug use is responsible for half of all violent crime. The societal cost of drugs is immeasurable.

From China to South Africa to Colombia and Peru, drugs have become the new currency of the 20th century. They have created a new drug culture around the globe and on the streets of my district and every State in the Nation, in almost every country. The drug culture has invaded our communities and our schools, and no community is unaffected by this disease. They have become the Black Plague of the 20th century. Yesterday, the news carried a report which stated that the drug economy was expanding so quickly that the cartels were having trouble laundering money quickly enough.

Now, efforts by the U.S. Government have been successful along the way in reducing the availability of drugs in the United States. According to the White House National Drug Control Strategy, almost one-third of the potential cocaine supply is seized worldwide, and U.S. efforts account for about one-third or half of those seizures.

While I want to commend the men and women who risk their lives daily to pursue illegal drug traffickers and producers, the cocaine producers have not been deterred by our efforts. In fact, cocaine producers have increased their production to replace losses due to seizures and due to an increase in demand.

So I think today, as you conduct this hearing, Mr. Chairman, we have got to look beyond the local enforcement initiatives which are so valiant and in many cases have done so well; we have got to look at what steps we can take to stymie the flow of drugs before they reach our borders.

Through our leadership and cooperation and international narcotic control efforts, we can begin to continue to cripple the drug

trade at its point of origin. If we do not do this, this plague will cripple the future of our Nation and our children as we approach a new century 4½ short years away.

I hope, Mr. Chairman, that this hearing will produce not only what has been done but what we can do so that the new century 4½ short years away is a century that eliminates this plague from the borders of our country.

Chairman GILMAN. Thank you, Mr. Menendez.

Mr. Manzullo.

Mr. MANZULLO. Thank you, Mr. Chairman. I commend you for having this opportunity to demonstrate to the Nation, again, that drugs have not gone away.

I won't have an opportunity to be here during the entire course of this meeting, but I do want to take this opportunity to publicly commend Thomas Constantine, who is the administrator of the DEA, who, in a conversation we had about 2 years ago, rapidly moved to establish the DEA office in Rockford, Illinois. We have been begging for one for years. The tremendous effect that those two DEA agents have had in working with the local police is absolutely astounding. I just cannot commend you enough for the personal interest you took in trying to save the lives of all of those children.

I practiced law for nearly 20 years and represented tens and tens, if not hundreds, of children and young adults who would get caught up in the drug scene. I have seen them injured, I have seen them die, and I cannot think of a priority in this Nation that should have more publicity than to drive home to the hearts of the American people that drugs are the root cause of most violent crimes in this country.

We have a lot of work to do, and, Mr. Chairman, again, I commend you for having this hearing. Thank you.

Chairman GILMAN. Thank you, Mr. Manzullo.

Mr. Wynn.

Mr. WYNN. Thank you, Mr. Chairman.

I also would like to commend you for having this hearing and for what I know are your personal efforts to look into this problem. It is certainly a very real problem, and as I listened to the various comments, I was moved to say something, because we give a lot of lip service expressing our concern about the drug problem, but there are a lot of communities in this country that are also concerned that they see their children being caught up in what has been described as the drug scene—arrested, incarcerated 5, 10, 15, 20 years.

But they consider our actions in terms of the international trafficking of drugs to be rather paltry. They say that the problem of drugs is not a problem of 15- and 16-year-old kids running around in T shirts and jackets; it is a problem with people who have planes, trains, automobiles, and ships, who bring this product into the country, and they don't see us here in the United States making a significant effort in that regard.

I looked at some of the data indicating that repeatedly the Administration's requests have been downsized in terms of committing resources, and I find it is somewhat of a contradiction. We make nice sounds about what we want to do, but when people ask

for money, the Administration specifically asks for funds to really combat this problem, we can always say, well, we have got a 7-year balanced budget problem we have to address.

So I hope that we won't just make the right sounds at this hearing but that we will actually commit ourselves to making this a priority, and not just a rhetorical priority but a priority in terms of putting the funds necessary into the program to interdict drugs, be it at the source or be it in transit, because if we fail to do that, we are really just playing a cruel game on the young people in this country, telling them that we are really trying, while they look at the people making the real money from the drug war and see that it is not them, but they are in fact the victims in terms of both their life-style and in terms of the prosecutions that are imposed upon them.

So, Mr. Chairman, again, I thank you, because I know you are sincere in working with us, but we have got to get a message out that if the country is sincere we are going to have to put some money into this problem, we can't keep rejecting the Administration requests for funds.

Thank you.

Chairman GILMAN. Thank you, Mr. Wynn.

Ileana Ros-Lehtinen, our distinguished subcommittee chairman.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Chairman. I want to congratulate you on focusing on this very important topic that affects all of our communities.

I have some scheduling conflicts, so in case I am not able to be here when Secretary Gelbard testifies, I have some questions related to the narcotics control assistance allocated for Africa, how all of those activities are taking place, the narcotics network in that area, and how much progress we have made. I also have a series of questions for him and anyone who would care to answer them about the Government of Cuba in permitting drug runners to use Cuba as a safe haven for the transshipment of drugs and also some information I have about Panamanian authorities working jointly with U.S. Customs Service in extraditing some individuals for laundering, who might have some Cuba connections in this operation.

I have some written questions, Mr. Chairman. In case I am not here, I would like to submit them to the proper individual testifying today to get the proper answers.

[The questions referred to appear in the appendix.]

Chairman GILMAN. Thank you, Ms. Ros-Lehtinen.

If there are no other opening statements, Mr. Payne.

Mr. PAYNE. Thank you, Mr. Chairman. It is great to see the drug administrator here.

Let me just say very briefly that because drug traffickers keep pace with increased seizures and worldwide demand, the globalization of illegal drugs has flooded the world markets.

This year marks a significant turning point in the international narcotics control effort. The United States, with the help of other countries, is committed to the eradication of cocaine, marijuana, and heroin. With the efforts of the Administration, countries in the Caribbean, Latin America, and Central America, Southeast Asia, and Southwest Asia are no longer finding it easy to cultivate illicit drugs.



Spillover has occurred in neighboring drug cartels of source countries. One example of this is the Caribbean Basin, where traffickers are broadening their transshipment operations and expanding their levels of influence. These small regions are virtually no match for the high-tech traffickers.

Colombia, the source of 80 percent of the drug cartel, is being dismantled by the U.S.-Colombian effort. In August of this year, Colombian authorities arrested Miguel Rodriguez Orejuela, the No. 2 person in the cartel of the Cali group. Colombia has also taken into custody three of the top five leaders of the cartel.

Even with the incarceration of these officials, weak legislation, corruption, and inefficiency in the Colombian Government have hampered efforts to bring mid- and high-level narcotics traffickers to justice.

Overall, cocaine seizures have remained at a high level, but successful joint U.S.-Andean nation interdiction efforts, including Colombia, have backed up tons of cocaine in Peru. This year, Colombia has stopped almost half of the country's coca crop, and we hope that that will continue. They have also been successful in eliminating part of the opium crop.

Let me just say that we are very, very concerned that this war on drugs continue. We feel that too little attention has been given to the effort and too little noise, so to speak, has been made as relates to the problem.

In the past, we had a Select Committee on Narcotics Abuse and Control that our esteemed colleague, Charlie Rangel, chaired and Mr. Gilman was a member of, and we were able to keep in the forefront some of the problems that continued around this particular problem of drug and drug eradication.

I hope somehow we could keep this on the front burner, and I congratulate the chairman for calling this important meeting, because I don't think that enough is being exposed about what is going on.

Once again, Mr. Chairman, thank you for calling the meeting. I look forward to hearing the testimony. Thank you.

[The prepared statement of Mr. Payne appears in the appendix.]

Chairman GILMAN. Thank you, Mr. Payne.

I am pleased that our committee is joined today by my good—long time colleague, Congressman Charlie Rangel of New York. Congressman Rangel is currently serving his 13th term in the House. He and I served together for many years on the Select Committee on Narcotics Abuse and Control which he chaired, and he now chairs the Congressional Drug Caucus aimed at curbing the Nation's rising drug abuse crisis.

Mr. Rangel.

Mr. RANGEL. Thank you, Mr. Chairman. Thank you on behalf of the Congress for once again providing the leadership that is so sorely needed with this problem that is facing our Nation.

I feel like every 2 years you and I join together in declaring a war against drugs. It is difficult to find the leaders of the soldiers and to find why this great Republic, this great Nation, is able to tear down the walls of communism and somehow find that the nickel-and-dime drug dealers around the world are still way ahead of the curve as relates to what we are trying to do.



I cannot tell you how excited, Dr. Lee, I was to hear the President's remarks at the United Nations, but I would be less than honest if I didn't tell you I feel excited with every president that makes any announcement as relates to drugs.

The question I have asked Democratic and Republican presidents, just as some evidence of the depth of my commitment, is: When last have I heard the Secretary of State indicate that this was a priority on his list? When last have I heard the Department of Justice say that our jails are just being swollen up with minority kids that have no jobs and no hope? Drugs just don't mean anything? When you go out into the community, you know that you are going to get minorities and you know that they are going to get far more of a jail sentence than the rest, and you know that in this great country of ours one out of three Americans, just because they are black, just because they are male, are going to end up in jail rather than being on the front line of productivity so that we can exceed in what we do best, commerce and world leadership.

And the Attorney General, the most sensitive person I have ever heard in law enforcement, her voice was so weak as we dealt with the very political questions.

I don't want to knock my colleagues. They are running for reelection this year. Do what you have to do. Increase the sentence. Send more people to jail. This is not the year or the time to talk about education and job training and putting people to work. I understand that politically, but I don't understand my Attorney General. She is not up for reelection.

Then when we talk about health, if we are really going to talk about expensive health, where are the expenses? In the emergency ward? Kids being shot? AIDS? Children born addicted to AIDS? When we put together the cost of this so-called war against drugs, there are just hundreds of billions of dollars, and yet we merely declare the war.

So in my city, the big fight is, should a kid be entitled to \$6,000 to be sent to school? This is a big fight with Mayor Giuliani and every chancellor, and I never hear anyone fighting about the cost of \$60,000 to keep a kid in jail.

Dr. Brown, nobody in this country has a better understanding of this, but when they made your office Secretary with the lowest staff that any Secretary ever had since the Republic ever had Secretaries, it didn't bother me because I figured you were part of a powerful team where every Secretary was carrying their own weight on the front line, with you. I don't see that. I see you out there, and I don't know where the support is.

But I am pleased to join with you, once again, Mr. Chairman, and I assume we are going to declare another war. Here we go again.

Chairman GILMAN. Thank you, Mr. Rangel, and we appreciate your taking the time.

Mr. Frazer.

Mr. FRAZER. Thank you, Mr. Chairman.

I would like to associate myself with all the accolades that have been heaped on you this morning for having this hearing and attempting to make this issue a priority.

Most people think of my district, the Virgin Islands, as a place for sun and fun, come and have a happy time. But last year, Secretary Brown, you designated the Virgin Islands, along with Puerto Rico, a high drug trafficking intensity area. I guess it makes the idea, the realization, that drugs do not respect any jurisdiction as small as the Virgin Islands is. It has a distinction of being one of the largest transshipment points for drugs in the world. It is a distinction without which we can live. However, that is the case.

We speak about this war on drugs. Yes, there is a war on drugs, but I don't seem to see the troops. It seems as though the troops are elsewhere, that they are dealing with a bigger budget, cutting Medicare and doing other things.

If we are, in fact, serious about a war on drugs, we will commit troops to this war on drugs, we will go where the drugs are coming into the country, not in the ghettos, as Mr. Rangel spoke of, but on the shore lines, because we know where these drugs originate. But somehow we don't seem to be as committed to going to the sources as we are going to Harlem and Cleveland and Watts.

Mr. Chairman, if, in fact, this country is serious about waging war on drugs, let us go about the business of doing so and let's end the lip service. As Mr. Rangel said, we go up this hill year after year. There seems to be a lack of seriousness to the commitment.

Chairman GILMAN. Thank you, Mr. Frazer.

Mr. Rohrabacher.

Mr. ROHRABACHER. Mr. Brown, I have been deeply concerned over the years that there seems to be a blackout on the information of certain people involved in the drug trade that is coming into the United States and I intend to ask you about Robert Vesco today and the role that he has played over the years.

But the blackout doesn't concern Robert Vesco, who is a notorious outlaw from the United States, who has been active in the Caribbean, but instead to those countries that have played host to Robert Vesco, namely Cuba and Nicaragua.

What I want to know is, when we have a dictator coming to the United States and being given a hero's welcome in New York, I want to know exactly what role Fidel Castro has been playing in the drug trade.

We have heard over and over again over the years that Castro has, indeed, permitted this to go on and actually applauded the efforts of drug traders and drug smugglers in his hatred for the United States. I think it is about time that the American people realize, when they are applauding Fidel Castro on the streets of America, that he has been deeply involved in bringing the poison of drugs to those very streets.

So I am going to be asking you today about Robert Vesco, about Noriega's involvement, and at the same time Noriega's involvement with Fidel Castro, and about the Sandanistas' involvement in drugs coming from Latin America.

Second, I personally am concerned that the U.S. policy in Asia toward Burma may well put us on the side. As we have seen a blackout of news in the Caribbean about Castro, we may end up cooperating with the regime that controls Burma, which is—which they themselves are up to their elbows in the drug trade, and with the alliance between Burma and China, I think we are in deep

trouble here if we plan to get control of the drug flow in the United States.

With that said, I am looking forward to your testimony. I am looking forward to talking to you about the issues I just raised.

Chairman GILMAN. Thank you, Mr. Rohrabacher.

Chairman GILMAN. We are pleased that our first witness today is Dr. Lee Brown, the director of the White House Office of National Drug Control Policy. Prior to his confirmation, Dr. Brown served as police chief for both Houston and for New York City and as Atlanta's public safety commissioner.

Of particular note is Dr. Brown's extensive experience and background as a professor of criminal justice. Dr. Brown has dedicated a good portion of his life to the U.S. criminal justice system.

It is a pleasure to welcome Dr. Brown to our committee.

Dr. Brown.

**STATEMENT OF LEE P. BROWN, DIRECTOR, OFFICE OF NATIONAL DRUG CONTROL POLICY, EXECUTIVE OFFICE OF THE PRESIDENT**

Mr. BROWN. Thank you.

Good morning, Mr. Chairman and members of the committee. I am very pleased to testify before the committee today to discuss current international counternarcotics issues. Mr. Chairman, I will present a summary of my statement and ask that my full statement be entered in the record.

Chairman GILMAN. Without objection.

Mr. BROWN. The overarching goal of the 1995 National Drug Control Strategy is to reduce both the casual and the chronic use of illicit drugs and the consequences of drug use. The best way to achieve that goal is to reduce the number of chronic, hard-core users, who account for nearly two-thirds of the cocaine consumed in the United States today and are also responsible for much of the violence and crime associated with drug trafficking. That can best be accomplished by providing effective drug treatment in our communities, in our jails, and in our prisons.

The objective is to break that cycle of drugs, crime, and violence. It is imperative, however, that we continue to attack the supply of drugs at their source, where traffickers are most vulnerable and our interdiction efforts are most cost effective, and in transit and on the street, where our costs are the highest.

Mr. Chairman, in your recent speech before the Organization of American States, you criticized this Administration for emphasizing treatment and prevention at the expense of interdiction efforts.

With all due respect, I would like to just point out to the committee that the strategy that has been developed, a copy of which I have before me, is indeed a very comprehensive strategy. The Administration's strategy does stress prevention and treatment efforts but while continuing aggressive enforcement, interdiction, and international programs.

However, Mr. Chairman, the drug budget stresses domestic law enforcement efforts, which have been greatly expanded in recent years and now comprise the largest segment of our drug control budget. In fact, Congress has not adequately funded the President's



request for treatment, for prevention, for international or interdiction efforts.

As you know, I recently visited the coca cultivation and cocaine producing and trafficking areas of South America, and I returned convinced—convinced—that our international strategy is sound and is now causing significant damage to trafficking organizations.

Upon my return from South America, I asked the Defense Department to develop a multilateral effort to increase the pressure against traffickers' smuggling operations throughout the region. The role of the U.S. forces is to increase detection and monitoring, intelligence gathering, and support host nation interdiction operations.

Mr. Chairman, having been at the United Nations last week, along with Mr. Rangel, you know that the President, in a speech before the United Nations, announced a major new counternarcotics initiative. Using his authority under the International Emergency Economic Powers Act, the President signed an Executive Order which blocks the assets of and prohibits transaction with the leaders of the Cali cartel and companies and individuals associated with them.

The President said that the Administration would consider imposing sanctions against nations that assist with money laundering to prevent them from doing business in the United States. The President also called for negotiation of an international declaration of citizen security in combating international organized crime, where nations would join in a series of international commitments to deny sanctuary to international criminals and provide mutual assistance in investigations of international crime.

In respect to our international strategy, U.S. drug control agencies have developed an aggressive coordinated response to the cocaine, heroin, and marijuana threats facing this Nation. Our strategy is designed to assist nations who have demonstrated the political will to combat narcotrafficking, increased international cooperation, interdict narcotics trafficking, and destroy narcotrafficking organizations.

As a result of Presidential Decision Directive 14, there has been a policy change, a controlled shift, through cocaine interdiction efforts, from the traditional transit zones to source countries. This was done because, with limited resources, it is more effective to attack drugs principally at the source of production. This is where intelligence is best and the traffickers most vulnerable, thereby allowing us to better target interdiction resources.

For example, we know that more than 70 percent of the cocaine entering this country crosses the border with Mexico. Thus, we are focusing our efforts to interdict cocaine before it gets to Mexico. We are focusing our primary efforts on the Peru-Colombian air bridge, the Colombia-Mexico air bridge, and Puerto Rico, and the Virgin Islands, and the nations of the eastern Caribbean.

Our interdiction strategy is to assist Bolivia, Colombia, Peru, and Mexico, to develop interdiction capabilities, improve intelligence sharing among our international partners, foster greater regional cooperation, and enlist greater cooperation and interdiction support from the British, French, Dutch, and Canadians.

Roughly 75 percent of the supply of cocaine base in Peru is moved to Colombia by air. The Peru-Colombia air base offers the United States and host nation partners a good opportunity to disrupt cocaine production and reduce the flow of drugs.

Encouraged by our advice and counsel and supported by our detection and monitoring resources, such as airborne and ground-based radars, Peruvian and Colombian counterdrug forces in the past 6 months have successfully disrupted the flow of cocaine along the air bridge. Since March, there has been a steady decrease in the number of flights between the two countries. The traffickers apparently are having great difficulty finding pilots willing to take the increased risk.

The increased Peruvian and Colombian counternarcotics activity has led to a significant disruption in the supply and reduction in price of cocaine base. In some areas the price of base has dropped by as much as 50 percent. Over time, Mr. Chairman, continuing lower prices will make the cultivation of coca plants substantially less profitable.

Since the beginning of the year, our allies have put together an operational plan to halt the flights of the large cargo 727 type aircraft used to transport cocaine from Colombia to Mexico. After a furious pace of deliveries last year, traffickers appear to have suspended these operations. The United States and its South American allies have made significant progress in attacking the major drug kingpins.

Over the past few months, six major traffickers have been arrested, and the organizations dismantled are severely disrupted. You see the chart to my left here that would display some of the arrests that we are talking about.

[The chart appears in the appendix.]

Mr. BROWN. In January, 20 members of the Peruvian-based Lopez-Paredes organization were arrested following the seizure of about three tons of cocaine. A week later, two top Bolivian traffickers were arrested. In June, the top Peruvian supplier of cocaine, Cachique Rivera, was arrested in Bogota. He had fled to Colombia in the wake of heavy Peruvian law enforcement pressure. His capture and extradition to Peru were the result of close cooperation between the governments of Peru and Colombia.

In June, Colombian National Police arrested Gilberto Rodriguez Orejuela, one of the top Cali cartel kingpins. The August 6 arrest of Miguel Rodriguez Orejuela, the last of the Orejuela brothers, means that six of the top seven leaders of the Cali cartel have been arrested.

As I said when I testified before the Subcommittee on Asia and the Pacific in June, we have been experiencing an increase in the availability of heroin on our streets over the past year. The President is expected to approve a new heroin strategy shortly, and implementation will follow accordingly.

We will optimize limited counternarcotics resources to carefully target those countries and regions that pose the most direct heroin threat to the domestic health and national security interests of this country.

We will continue to address U.S. counternarcotics concerns without undermining our vital U.S. objectives, including efforts to pro-

mote political reform and reconciliation and curb human rights violations.

Mr. Chairman, the key to success is full support of the President's budget request for international and interdiction resources, and I must tell you here, Congress has come up short. As you know, despite your tremendous efforts for adequate funding for our international efforts, Mr. Chairman, the House-Senate conference cut the INL budget to \$115 million, almost 50 percent below the President's request. Congress has cut INL budget below the President's request since 1993.

Yet, despite these requests, the United States has yielded a credible effort against the cocaine threat by increased cooperation with our allies using pipeline funds, fielding better technology, and re-aligning our declining resources.

The fiscal year 1996 budget for INL will not sustain this level of performance. The drug threat in Mexico is growing rapidly, and the South American traffickers are investing in new routes and carriers to better protect their shipments. These developments warrant greater U.S. and allied responses, or we will lose more ground to the traffickers.

The cuts allow for little, if any, sustained alternative development. Without alternative development help, the political cost for eradicating coca fields is too high.

So, in closing, Mr. Chairman, let me repeat what I know you believe, and that is, the fight against drug abuse must be a bipartisan effort. This is too important an issue for our Nation and our Nation's children to allow ourselves to become caught up in partisan rhetoric.

I want to thank you for your over two decades of laboring in this very important field, and I welcome your continuous interest and look forward to working with you to change the picture of drug use in America.

Thank you, Mr. Chairman, members of the committee. I will be glad to respond to any questions that you may have.

[The prepared statement of Mr. Brown appears in the appendix.]

Chairman GILMAN. Thank you, Mr. Brown.

First of all, Dr. Brown, I would like to go back to the record. You are contending that Congress has been reluctant to fully fund. I want you to know that the record of this committee, historically, since the very inception of the international narcotics control program, fully funded those programs as an authorizing committee, and many of us have personally lobbied the appropriators as well to try to make them see the light. Regretfully, some of them have not been as supportive as this committee has been.

Our measure, H.R. 1561, our authorization bill, fully funded the President's \$214 million international narcotics control request. On the way to the floor though, some things have happened, regretably, that were not to our satisfaction.

Dr. Brown, CIA Director John Deutch, in a recent speech before the National Press Club, said, "cooperation between intelligence and law enforcement can produce fantastic successes." He cites the recent high-level Cali cartel arrests in Colombia as an example of what can be accomplished through cooperation.



I ask you, are the Cali cartel arrests the exception on cooperation, or is the norm still the obstructive ongoing agency rivalry and duplication in this important battle against drugs?

Mr. BROWN. Mr. Chairman, I agree with the Director of the CIA. Cooperation in gathering and sharing intelligence is key to what we want to accomplish.

If we look at our traditional method of interdiction in the transit zone, I often liken that to what we have done in my profession—that is, law enforcement—where we believed that for a period of time that we could randomly patrol the streets of our cities and thereby prevent crime. But after a period of years we have come to realize that random patrols produce random results, and most cities now believe that we want more from our resources than random results, we want targeted results, direct results. That is where intelligence comes in, by providing us with targeted results so we can devote decreasing resources to accomplish our overall objective.

So I see the results we are having with the Cali cartel not as being isolated but as something that we have worked very hard to accomplish. The relationships between the various agencies involved in our counternarcotics efforts are better than ever. We see one mission. That mission is to protect the security of American citizens in this country by addressing those who want to export the poison to the streets of America, and we are working.

Chairman GILMAN. Are you telling us, Dr. Brown, that our intelligence agencies are working closely with our law enforcement people and there is good cooperation?

Mr. BROWN. I am saying that our intelligence people are working closely with our law enforcement people, providing the information that is necessary for our law enforcement people to get the job done.

A classic example is what we see happening with the arrests of the top people in the Cali cartel. That comes from the combined efforts of our intelligence-gathering agencies, supplying information to the operational law enforcement agencies in order to get the job done.

I might also mention, Mr. Chairman, that when I mentioned Congress and the budget cuts, I also mentioned very specifically that you have fought very hard to assist us in getting the resources necessary to get the job done. You and Congressman Rangel have worked in this area since the early seventies. You are committed; you know the problem; you know what it takes to get the job done.

So I appreciate what you have done and appreciate continuing to receive the support that you have always promised us as we carry out this battle.

Chairman GILMAN. Dr. Brown, in meeting with some of our Caribbean people and Mexican people, they were very much concerned about the removal of our radar stats which were out there to give us better intelligence on what was happening in air transit narcotics supplies. Could you tell us whether or not we are replacing those or why we removed those?

Mr. BROWN. We are developing an enhanced system for obtaining information using radar. The relocatable, over-the-horizon radars have been installed in two places in Texas and also Virginia, and there is one more scheduled to be installed in Puerto Rico. This

gives us a better capacity, but it goes along with some of the other radar installations that we have. So we have taken a look, a careful look, at what we need.

What we are doing now is using upgraded technology that is at our disposal. We do not intend to reduce our coverage but, rather, take advantage of the radars that we do have that provide better service to accomplish our overall objective.

Chairman GILMAN. Dr. Brown, the Commissioner of Customs' excellent written testimony states that the Customs P-3 aircraft last year contributed to some 40 percent of the cocaine seizures made in the transit zone, and the chief of staff of the Air Force has said, "Increasing the fleet of the P-3 AEW's by four aircraft does suggest a workable long-term capacity for counterdrug detection and monitoring requirements." Yet the key folks at SOUTHCOM also support the need for more P-3's.

Why hasn't someone on ONDCP or elsewhere in the Administration just taken the lead work to have the funds for DOD requested for just these few P-3's and get on with increasing our drug interdiction capacity? We are not talking about any sizable funding.

Mr. BROWN. As you know, our interdiction and international budgets have been cut tremendously. The Department of Defense lost \$300 million in 1 year, the State Department lost \$200 million. So just in 1 year there was—

Chairman GILMAN. Dr. Brown, if I could just interrupt you a moment, our charts show that with regard to interdiction of international drug program funding, the President requested \$1.2 billion—\$1,206,000,000 in fiscal year 1995 and the Congress enacted \$1,293,000,000. So there isn't really any substantial decrease. As a matter of fact, there has been an increase in interdiction.

Mr. BROWN. Well, if you go back to fiscal year 1993, you will find the President requested \$2.2 billion and the Congress enacted \$1.7 billion.

Chairman GILMAN. That was fiscal year 1993 under another leadership.

Mr. BROWN. Fiscal year 1994, it was \$1.7 billion. The Congress, I know, enacted \$1.3 billion. When you total it all up, you will find there was a substantial request.

Chairman GILMAN. Again, that was fiscal year 1994, enacted in a former Congress.

Mr. BROWN. The amount of increase in fiscal year 1995 is below what was requested in previous years, fiscal years.

Chairman GILMAN. We increased the amount.

Mr. BROWN. On the international side we found it substantially decreased as well from \$768 million in fiscal year 1993 to \$536 million, and for fiscal year 1995 from \$428 million to \$310 million.

I guess the point I want to make is, Mr. Chairman, that we do have, with some of the things we have shared with you today, a window of opportunity to go ahead and have some sustained, long-lasting results in addressing the problem of drugs in the source countries.

As you recall, the decision was made in 1993 to do a controlled shift from interdiction in the traditional transit zone to place a greater emphasis at the source. That policy is still a valid and a good policy.



The problem is, we have not had anything to shift. There have been cuts in international programs, cuts in our interdiction programs. We think that the strategy is an appropriate one. If I could use an analogy, if we wanted to deal with hornets, we are better off going to the hornet's nest and stopping them there rather than waiting until they fly throughout the community and try to grab them out of the air.

Chairman GILMAN. I have exceeded my time already. Just one last question.

Mr. BROWN. Yes, sir.

Chairman GILMAN. Have we shifted away from the Administration's more recent emphasis on reducing demand to getting back to reducing demand and supply at the same time?

Mr. BROWN. In our 1995 National Drug Control Strategy we point out very clearly that we do not view demand reduction and supply reduction as being competing entities. We know, for example, that we cannot reduce the demand for drugs if there is an abundance of drugs on our streets. We also know that we can't reduce the supply of drugs unless we are able to curb America's appetite for drugs. And so our strategy that I hold here before me is a comprehensive one, it is a balanced one. What we do need, however, would be the resources to fully implement it.

So we don't see demand reduction and supply reduction as competing. We need both in order to address the problem that we are all very much concerned about.

Chairman GILMAN. Well, Dr. Brown, I hope you won't hesitate to let this committee know where you are coming up short on funding, and we certainly want to be helpful to you in your efforts.

Mr. BROWN. You have always been responsive, and I appreciate it, Mr. Chairman.

Chairman GILMAN. Thank you.

Mr. Menendez.

Mr. MENENDEZ. Thank you, Mr. Chairman.

Dr. Brown, let me ask you, with reference to the budgetary questions that you have raised, what has been the practical impact of the continuous reductions below the President's request on our overseas narcotics program?

Mr. BROWN. Let me begin by referring you back to Presidential Decision Directive No. 14 which called for a controlled shift. By that I mean we are not going to stop interdiction in the transit zone but a controlled shift to place greater emphasis on the source countries. That is the policy, a very sound policy.

However, we have seen cuts not only in our interdiction budget but also our international budget, and therefore the policy has not been implemented. That really is the problem that we have.

If we take, for example, some of the results of my recent trip to Latin America. I visited in Bolivia, and we had asked them to eradicate 1,700 hectares of coca growth. They exceeded that, they eradicated over 2,000 hectares. However, then there is the corollary problem of having alternative development for the coca growers, the farmers, and that is a legitimate concern for the President of Bolivia. Resources are not available to help us carry that out.

We look at Peru. We now have, in my estimation, really a window of opportunity in that we have been able to disrupt the flight

pattern of the cocaine base being flown from Peru to the laboratories in Colombia. The chart I have there is a good example of what we see happening. We have to be able to continue that, and resources are necessary to accomplish that.

In Colombia, for example, the arrest of the Cali cartel, very significant developments, something that has not happened in the past. We have to keep the pressure on doing that.

As I point out in my testimony, I have asked our Department of Defense to look at what we can do right now to target more of our resources at this very timely point in history to make sure that we can address the problem.

So the bottom line answer to your question is that we have not had the ability to fully implement the policy because of the lack of resources from the Congress as requested by the President to carry out our international as well as our interdiction strategy.

Mr. MENENDEZ. So then, therefore, if you can't fully implement what you have described to the committee as a comprehensive program, in fact, doesn't that program begin to crumble?

Mr. BROWN. Well, we have had successes because we have to be more creative with the resources we have as well.

I mentioned earlier that we are looking at—

Mr. MENENDEZ. But—excuse me. It becomes far less incomprehensible then?

Mr. BROWN. The strategy is still comprehensive.

Mr. MENENDEZ. The strategy probably is, but you can't implement it without the resources, as you suggest.

Mr. BROWN. That is absolutely correct. We need the resources to implement the strategy.

Mr. MENENDEZ. As a part of that strategy, what—I am glad to hear, as one of the few areas that I rarely hear anyone speak about, as someone who sits on the Western Hemisphere Subcommittee, and I know that I see the focus here is, and certainly there are significant issues that—with reference to our drug problems that come from Latin America, although not unique to Latin America, because, as you suggested, there are other places in the world for which both production and transports come to this country.

But I am concerned, noting that over 50 percent of the population of Central and Latin America, in fact, are below the poverty level—

Mr. BROWN. Yes.

Mr. MENENDEZ [continuing]. That if you are going to seek eradication, which we join with you in wanting, then people who have to live have to grow something, something that puts—at least gives them the ability to survive and, therefore, sustainable alternative developments.

What I am concerned about is that, as part of the strategy, we want people to eradicate, and we join with you in that, but then we don't have the resources, nor are we assisting them in providing the alternative development that will permanently move them away from the growing of some of the drug plants to growing those crops that, in fact, will be productive.

Mr. BROWN. Let me preface my answer to the question by saying we won't win this battle overnight. We need a sustained effort over

a period of years in order to make a difference. That means as we are successful in destroying the coca leaf, there is a dire necessity of having alternative crops for the farmers.

As I spoke with the President of Peru as well as Bolivia, that is their major concern in dealing with the livelihood of those farmers who are now growing the coca leaf. So alternative development has to be part of our overall strategy in addressing the problem.

But critical to what I want to say is that we can't have funding one year and funding taken away the next year. We have to have a sustained effort over a period of time, over years, in order to make a permanent difference in what we are concerned about here today.

Mr. MENENDEZ. Last, let me just ask you: When we were having negotiations on NAFTA, were you called in during those negotiations to participate in the context of drugs and the interdiction, money laundering, and all of those issues as part of those negotiations?

Mr. BROWN. I was involved, along with other members of my staff, in looking at the issue of narcotics and what impact NAFTA might have on narcotics crossing our border.

Mr. MENENDEZ. Well, I would hope maybe there was another opportunity to pursue that. It seems to me that we had a great opportunity in the processes of that negotiation to pursue various avenues, and I think that it was, at best, an ancillary part of the negotiations and I think undermined our ability to make very significant opportunities for some of the issues that we are concerned about.

I see in your written statement references to Mexico and its transshipments as a place of transshipment. I think that that is a real concern to many of us.

Thank you, Mr. Chairman.

Chairman GILMAN. Thank you, Mr. Menendez.

Mr. Manzullo.

Mr. MANZULLO. Thank you, Mr. Chairman.

Dr. Brown, again, it is a pleasure to see you here before this panel. You and I have talked on numerous occasions on the telephone about trying to square away the priorities. I can understand the consternation on your behalf, and I want you to know that this Member of Congress understands fully the constraints within which you work.

I also want to commend the marvelous work that DEA did with the CIA in bringing about the fall of the Cali cartel. I think that is a story that the American people really have yet to hear, the true heroes that are involved in this.

To follow up on that, Dr. Brown, what should the U.S. role be in preventing another drug cartel, in whatever forum or from wherever, from filling the current vacuum after Cali if and when its structural leadership is totally taken down?

Mr. BROWN. We recognize that the merchants of poison exporting those poisons to this country just won't go away. We can look at history, for example, at the Medellin cartel that was dismantled with the arrest of Pablo Escobar. The Cali cartel filled that void, and, so recognizing that, the efforts that we have now in arresting



the kingpins of the Cali cartel must continue, going to not just the kingpins but destroying the entire organization.

We also recognize that our efforts must be to destroy any drug-trafficking organization that emerges as a result of our success in dealing with Medellin or Cali. So our efforts will be continuous. We cannot give up. Although we may want to celebrate some of our successes, we can't assume a posture of complacency, knowing what can follow with others stepping in to fill the void.

Mr. MANZULLO. Thank you, Dr. Brown.

I yield back the balance of my time.

Chairman GILMAN. Thank you, Mr. Manzullo.

Mr. Hamilton.

Mr. HAMILTON. Mr. Chairman, I want to thank you for having this hearing on the international narcotics control problem and for your leadership on this issue over a period of years.

Dr. Brown, we are delighted to have you here.

Mr. BROWN. Thank you.

Mr. HAMILTON. I would like to yield my time to the distinguished member from New York, Mr. Rangel, who is visiting here from one of the minor committees in the House.

We are delighted to have you, Mr. Rangel.

Mr. RANGEL. Thank you so much for your courtesy, Mr. Hamilton.

Mr. Chairman, once again I congratulate you.

And, Secretary Brown, I want you to know that anything that may be said out of frustration certainly is not to detract from your dedication or that of the DEA and Customs and all those strong law enforcement people, and I think you made it abundantly clear, the relationship between supply and demand, and I know, and you know, that one of the biggest obstacles you have in reducing the supply is constantly being asked a question: What are you doing about reducing consumption?

Now, you indicate in your written testimony that the overall goal of the National Drug Control Strategy is to reduce both the casual and chronic use of illicit drugs and its consequences and the best way to reduce the problem is to reduce the number of chronic hard-core users.

Chronic hard-core users account for nearly two-thirds of the cocaine consumed in the United States today, and they are responsible for much of the violence and crime associated with drug trafficking.

Now, what type of cocaine are you referring to?

Mr. BROWN. I am referring to cocaine in general.

Mr. RANGEL. What percentage of the hard-core users would you estimate to be crack users?

Mr. BROWN. I don't have that number. I will get back to you with that number.

Mr. RANGEL. If we were to talk about 100 percent of cocaine users, what percentage of the hard-core users would you guess would be crack users?

Mr. BROWN. When we look at the hard-core users, we are talking about 2.7 million chronic, hard-core, addicted drug users. Of that number, some 600,000 are addicted to heroin. The remaining 2.1 million are addicted to cocaine.

At this point, I don't have the breakdown between powder and crack, but I will get back to you on that.

[The information follows:]

We do not have sufficient data to make such a determination. The prime data sets that provide information about drug users: the National Household Survey of Drug Abuse, the Drug Use Forecasting System, the Monitoring the Future Survey, the PRIDE Survey, and the Drug Abuse Warning Network, do not capture sufficient numbers of hardcore users to allow for the formulation of a precise and supportable answer to this question. Even by combining all available data, as is done to support the research project that provides estimates of the number of hardcore drug users and the amount of money spent to purchase drugs at the retail level: *What America's Users Spend on Illegal Drugs, 1988-1993*, the data is insufficient to answer this question.

Mr. RANGEL. Forgetting that, would you not agree that the overwhelming number of people who are arrested for cocaine violations are crack users?

Mr. BROWN. The majority of arrests would be crack users. That does not translate into the majority of users being crack users.

Mr. RANGEL. No; I was talking about arrests, because law enforcement is a very important part of this as a deterrent.

Mr. BROWN. That is correct.

Mr. RANGEL. In reducing the supply.

Mr. BROWN. Yes, sir.

Mr. RANGEL. So we are talking about arrests and convictions.

Would you not agree that the overwhelming amount of convictions as relates to cocaine users are crack users?

Mr. BROWN. That is correct; yes, sir.

Mr. RANGEL. And would you not also agree that the overwhelming number of crack users are black and Hispanic?

Mr. BROWN. That is correct.

Mr. RANGEL. And would you not also agree that the areas targeted more for drug abuse are the communities which are overwhelmingly black?

Mr. BROWN. The fact that we have more arrests taking place—

Mr. RANGEL. Oh, I know the reason, but I'm just asking.

Mr. BROWN. Yes, sir.

Mr. RANGEL. And so that if we were looking for arrests and convictions, it would make a lot of sense to go to those minority communities?

Mr. BROWN. The arrests are much easier when you have open-air drug dealing, people selling drugs on the street corner.

Mr. RANGEL. No question about that.

Now, is it not true that these same areas are the areas that the schools have the least amount of performance in terms of graduates?

Mr. BROWN. I would say that would be the case.

Mr. RANGEL. Would it also be the areas of the highest unemployment?

Mr. BROWN. Yes, sir.

Mr. RANGEL. Would it also be the areas with the highest homeless population?

Mr. BROWN. Yes, sir.

Mr. RANGEL. Would it also be the areas of the highest amount of children born out of wedlock?

Mr. BROWN. Yes, sir.

Mr. RANGEL. And the areas of highest disease in terms of ailments, in terms of emergency cases?

Mr. BROWN. That is correct.

Mr. RANGEL. Also, is it safe to say that in these communities, out of three black male kids born, is it true that the statistical data indicates that one out of those three, one way or the other, will be arrested?

Mr. BROWN. The Sentencing Project that you are referring to said that one out of three African American males between the ages of 20 and 29 are under the auspices of the criminal justice system, either jail, prison, probation, or parole.

Mr. RANGEL. Now, is it true too that the crack users have a sentence that is by far much higher in terms of the length of sentence than the regular drug abusers, whether it is cocaine or any other drug?

Mr. BROWN. As a result of legislation passed by the Congress, there is a minimum mandatory for the crack problem which carries with it 5 years imprisonment for five grams.

Mr. RANGEL. And that 5 years is longer than much of what people get for robbery and murder, based on your experience?

Mr. BROWN. That is correct.

Mr. RANGEL. As an expert in law enforcement, is there any indication at all that the increase in sentence and the disparity of sentence has reduced consumption or distribution at all?

Mr. BROWN. No, sir.

Chairman GILMAN. The gentleman's time is expiring. If the gentleman would wind up.

Mr. RANGEL. Well, all I can say is that we legislated for a drug czar. We got one, and we got a good one. The thinking behind that was that the drug czar would coordinate the efforts of the other Cabinet officials.

If the answers that you have given today are shared with the other Cabinet officials at another meeting and at another time, we have to hear from the Secretary of Education, the Secretary of Health, the Secretary of Labor, the Secretary of State. It is just not fair to have a czar and have no Secretaries that are going to be on the front line.

Thank you so much, Mr. Chairman.

Chairman GILMAN. Thank you, Mr. Rangel, for your continuing efforts in battling narcotics.

Mr. Rohrabacher.

Mr. ROHRABACHER. Mr. Rangel and I agree that demand is a very important way to get to the drug problem. If we just focus on supply, then we will be a failure. And I will work with Mr. Rangel toward that end.

I will say that I am a little skeptical of the idea that treatment is going to affect demand in a big way; that, instead, during my years as a journalist and since I think that the national attitude of intolerance toward the use of drugs and basically stemming from a commitment at the highest levels of government, especially the White House, is the most effective way to affect demand.

In other words, during the Reagan years, when they said, "Just say no," that had a lot more to do with the number of people—a



declining number of people using drugs during those years than any interdiction and enforcement efforts that we had.

But I would like to focus today instead on some supply issues, where I might have some disagreement with Mr. Rangel, and that is, first of all, I would like to know the role that Robert Vesco has played in the past. Has this man played a major role in establishing—from what I have read, when he left the United States as an outlaw, he played a major role in helping establish some of these drug operations.

Mr. BROWN. I have no information that would answer that question. I can't tell you if that was the case or not.

Mr. ROHRABACHER. All right. I would appreciate if you would answer that question in writing to my office.

Mr. BROWN. I will be glad to do so.

Mr. ROHRABACHER. It is my understanding that Robert Vesco has played over the years a significant role in establishing the business operation of various drug operators and cartels in this hemisphere. During that time period, Robert Vesco was being harbored in Cuba and in Nicaragua. He was also seen in Costa Rica at the time as well, I might add.

During the Reagan years, I remember a picture that we managed to snap of one of the top leaders of the Sandinista regime loading cocaine into an airplane. What role did the Sandinistas play in producing drugs over the last 10 years that are consumed in the United States?

Mr. BROWN. Any involvement of the leaders there would have preceded my appointment to this position. I would then ask that I get back to you with an answer.

Mr. ROHRABACHER. I would appreciate it if I could have that answer in writing as well.

[The information referred to follows:]

DEA files contain numerous allegations concerning the drug-related activities of Robert Vesco. Most of these allegations concern drug activities in the Bahamas. Vesco reportedly was forced to relocate to Cuba from the Bahamas in the early 1980's. During that period, Vesco allegedly continued his drug trafficking activities from Cuba.

Robert Vesco is named as a co-conspirator in the indictment of Carlos Lehder, a notorious cocaine trafficker associated with the Medellin drug mafia, who is now serving a life-plus-135-year sentence without parole. The indictment charges that Vesco obtained permission from the Cuban Government for Lehder's aircraft to overfly Cuba en route to the United States. There also is an outstanding arrest warrant for Vesco in Jacksonville, Florida, dating back to 1989 for conspiracy to import and distribute cocaine.

Mr. ROHRABACHER. Fidel Castro, who was harboring Noriega—several people who have actually left Castro and deserted his regime have stated for the record that Mr. Castro was involved in meetings in which decisions were made that Cuba would participate in the supply of drugs to the United States in order to destroy this terrible country which he hates so much.

Do you have any information for us today about the role that Fidel Castro has played in the establishment of these drug cartels or involvement with the drug cartels?

Mr. BROWN. We have some concern about Cuba in terms of its being flown over, but I have no evidence that would say that Fidel Castro has been involved in the drug trafficking trade.

Mr. ROHRABACHER. During the time that we were concerned about Noriega, which led us to invade Panama and kick that dictatorship out, Noriega had close ties with Fidel Castro, and it was reported at the time that his—Noriega's—involvement with drugs was in cooperation with Castro. Do you have any information about that?

Mr. BROWN. I will have to get back to you in response to that question. It preceded my being in the office that I am right now. [The information referred to follows:]

Although Noriega reportedly had close ties with Fidel Castro, the only information concerning a possible drug connection between the two is reflected in the Noriega indictment. According to the indictment, on one occasion in 1984, Castro reportedly mediated a dispute between Noriega and members of the Medellin drug mafia. DEA has no additional information concerning a drug-related association between Noriega and Castro.

Mr. ROHRABACHER. Let me just say that your answers don't surprise me, and I am not making you at fault for this. I believe that there has been an intentional effort to focus away from what Castro and the Sandinistas and basically what the communist regimes in this hemisphere have done in the past and are doing today involved in the drug trade. This is something that is very deleterious to the whole effort of stopping the drug flow into the United States.

For all we know, the people who are being arrested are—the people in the Cali cartel are either friends of Castro, but they could be his competitors for all we know.

I know that in Burma, an area that I am aware of and the activities going on in Burma, quite often people have been sucked into fighting drugs by eliminating the competitors of the Burmese regime, which is itself deeply involved in the drug trade. I think that we have to pay attention.

I will wind it up now, Mr. Chairman.

I am absolutely appalled that the American people are unaware of Fidel Castro's involvement in the drug trade. He was welcomed here a week ago and was applauded on the streets of the city in which he has helped bring the drug poison that is destroying that city, and the American people had better start focusing on what Castro has been doing, harboring Robert Vesco in drug operations with Noriega, a partnership with the Sandinistas. These things have had a major impact on the level of drug use right here in the United States.

I would hope, Mr. Brown, that this Administration will focus on that rather than what we have seen so far as a total effort to looking the other way.

So thank you very much.

Mr. BROWN. I will certainly get back to you with answers to your question. I think one could logically assume that you would have Cubans involved in the drug trade, but I have no evidence to suggest that Fidel Castro personally is involved.

Mr. ROHRABACHER. I appreciate the job you are doing, sir, and some of the comments that I made obviously were not just aimed at this Administration but have been part of other administrations as well. So I am not just placing the blame on this Administration for the lack of that information.

Thank you very much, Mr. Chairman.



Mr. RANGEL. If the gentleman would yield, if you could put those questions down and share them with me, Senator Pell and I may be visiting Fidel Castro sometime next month, and I will be glad to raise them.

Mr. ROHRBACHER. Well, I will be getting some information from Mr. Brown, and I will be very happy to share that with you.

Chairman GILMAN. Thank you both, gentlemen.

Mr. Wynn.

Mr. WYNN. Thank you, Mr. Chairman.

Dr. Brown, did we seize more cocaine this year than we did the previous year?

Mr. BROWN. Our seizures have been pretty level over the last few years. We know that about a thousand metric tons of cocaine would be produced. We use about a third of that in this country. We seize about a third. A third would either be lost or would go to some other part.

Mr. WYNN. If I could jump in, with no disrespect, the information that I had was that in 1994 we only seized 30 metric tons, which was below what we seized in 1991, during which time we seized 77 metric tons.

If that information is true and consistent with your description of it being flat—and I understand the political realities of your statement—it seems to me a reasonable conclusion that our seizure effort is failing. We are not seizing more. We are not being more successful on the seizure front.

If that is not correct, please correct me. If it is correct, then I think we need to admit bluntly that, in terms of what we are seizing, we are not seizing as much as we used to seize and, therefore, in that regard at least we are failing.

Mr. BROWN. I will be glad to give you some precise numbers on that, but still our seizures have remained rather level over the years. I will get to you some precise numbers.

Mr. WYNN. OK. I would appreciate that. But that would certainly not paint an optimistic picture.

[The information referred to follows:]

For information on drug seizures, ONDCP relies on the DEA Federal-wide Drug Seizure System (FDSS). The FDSS contains information about drug seizures made within the jurisdiction of the United States by the DEA, FBI, and U.S. Customs Service, as well as maritime seizures made by the U.S. Coast Guard. Drug seizures made by other Federal agencies are included in the FDSS data base when custody of the drug evidence is transferred to one of the four agencies identified above. Therefore, the FDSS statistics reflect the combined Federal drug seizure effort, but do not include seizures made by State and local law enforcement or by other nations, even if U.S. agencies provide assistance.

The latest figures available from the FDSS, which cover only the first half of Fiscal Year 1995, show the following:

FEDERAL-WIDE DRUG SEIZURE SYSTEM (COCAINE)—COCAINE SEIZED IN KILOGRAMS

FY 1992—137,558.7  
 FY 1993—110,815.6  
 FY 1994—130,966.8  
 First half FY 1994—64,498.7  
 First half FY 1995—47,087.9<sup>1</sup>

<sup>1</sup>The next report, which will cover all of FY 1995, is expected to be released before the end of the year.

Mr. WYNN. I would like to move on to our source country efforts. You indicate that opium eradication in Colombia is down. Is that true?

Mr. BROWN. Opium eradication in Colombia is actually up. They are doing a decent job of eradicating both the coca leaf and the opium poppy in Colombia. They are using air eradication and doing a good job.

Mr. WYNN. My information is that it is basically the same level of eradication that it has been for the last 3 years. So if you would provide me the documentation on that.

Mr. BROWN. I will give you more updated information which would not be consistent with what you have right now.

Mr. WYNN. OK. I would appreciate that.

[The information referred to follows:]

Although the government of Colombia is unlikely to meet their goal of eradicating 37,000 hectares of coca and poppy, the Colombian National Police have continued to work aggressively on their eradication efforts. Poppy eradication was slowed down after the shoot-down this past summer of a T-65 Thrush aircraft in which a Colombian pilot died. Poppy eradication operations have also been hampered by unfavorable weather conditions. As of October 21, Colombia had eradicated 2,245 hectares of poppy cultivation. In 1994, Colombia eradicated a total of 4,676 hectares of poppy; consequently Colombia is more than 1,500 hectares behind last year's accomplishments. The U.S. Government made known its concern about this to Colombian officials, and stressed the need to make up lost ground as soon as possible.

Poppy eradication figures are down in part because of the emphasis Colombia has placed in eradicating coca this year. As of October 21, they had already exceeded their 1995 goal of 20,000 hectares of coca by 2,000 hectares. They have eradicated an average of 524 hectares of coca per week, with a record week of 1,996 hectares in September.

Having reached their coca eradication goals and placing increased emphasis on poppy eradication, I expect Colombia will come close to meeting their total eradication goals.

Mr. WYNN. It appears that we had a cut of about \$234 million in DOD detection and monitoring, and that was supposedly tied to the so-called shift to source country efforts.

Is that cut correct? Was that the amount of the cut?

Mr. BROWN. A couple of years ago there was a cut of about \$300 million. It was not necessarily tied to a shift. That was a congressional cut below what the President had asked for in his request to the Congress.

Mr. WYNN. OK. Well, before we go on, here is where I am going: If we are cutting the money that we have in the DOD for detection and monitoring and we are also cutting the money that we have available for source country efforts, how can this work? I mean my colleague, Mr. Menendez, pointed out there must be alternative crop development.

I don't see this war on drugs working at all, quite frankly. It appears to me that you are trying to fight on too many fronts and not fighting well on any. We are spending less on interdiction, and we are not seizing as much cocaine. We are shifting funds to source country efforts, but we don't really have a viable source country program in terms of the actual production process. So I don't know how we can reconcile that.

I will just say as a comment, and you may disagree, but I think we tend to play with this thing just over and over again. As my colleague said, every 2 years more war on drugs, and we are not doing anything. We are not even seizing as much. We are arresting

more young people, but we are not seizing as much cocaine, and there is something wrong with that.

The last point: Colombia, according to my information at least, doesn't have a money laundering program. How can we have a source country effort with a country that doesn't have a money laundering program, money laundering laws?

Mr. BROWN. As indicated, I will provide you with some accurate information.

Let us suffice to say at this time that our seizures have not significantly reduced. We are maintaining a level amount of seizures. That has been the case for a number of years.

Mr. WYNN. Since you went there, Dr. Brown, are you telling me that we only seized 30 metric tons in 1994, and we seized 77 metric tons in 1991? Now, to me that is a decline.

Mr. BROWN. I am not aware of your figures, but I will provide you with accurate information about our seizures.

Mr. WYNN. I appreciate that. I don't want to appear contentious or to make this personal in any way, but there is a great deal of frustration in my community that this war on drugs is not serious.

One final question. We hear about the arrest of the Cali kingpins. When are we going to have some arrests of U.S. kingpins? I mean, again, the kids in tennis shoes are not the ones that are distributing the drugs in these communities in terms of the networking. They are coming in in trucks; they are coming in in other vehicles. What are we doing in that regard? Where are the major U.S. kingpins that are being taken down?

Mr. BROWN. A couple of points in reference to your comments. First of all, we have the right strategy. There is no question in my mind, any expert would tell you, that the strategy that we have, even our international strategy, is the right one. It just makes good sense to try to stop drugs at the source.

But what is the problem? The problem is that we called for the controlled shift from our traditional transit zone to go into the source countries at the same time that Congress cut our budget to do anything. So there is nothing left to shift. That is the problem.

Mr. WYNN. So you are spending inadequate funds on two fronts, basically?

Mr. BROWN. The problem is that the Congress has cut both our international programs as well as our interdiction programs.

Now, with reference to your latter question, American kingpins are arrested. Let me just share with you my experience as the police commissioner of New York City. On a regular basis, through the joint efforts of the New York City Police Department, the State Police, and the Drug Enforcement Administration, we targeted the kingpins that brought drugs into the city of New York or the State of New York, and on a regular basis we would call press conferences and announce the arrest of the individuals.

Any effective law enforcement strategy must address different levels. At the Federal level, the Drug Enforcement Administration is focusing on not only the kingpins but also the organization in which they work in order to destroy the organization. We work in conjunction with State and local law enforcement agencies as well to deal with it at the middle level or the street level. You have to be comprehensive even in the enforcement.



Mr. WYNN. OK. Thank you very much.

Chairman GILMAN. Thank you, Mr. Wynn.

Mr. Chabot.

Mr. CHABOT. Thank you, Mr. Chairman.

Dr. Brown, just a few questions. I think one of the main points that I have heard you say this morning is that one of our difficulties, one of our problems in drug interdiction, is that the Administration apparently hasn't gotten as much money as they would have liked to have gotten from Congress. You have made that point several times.

There are some recent General Accounting Office—GAO—reports which have been fairly critical of much of our drug policy and its administration in our country, and they have said in recent reports, for example, that there is a lack of coordination and confusion over the role of the offices responsible for intelligence analysis and related operational plans for interdiction.

They have also mentioned, for example, that \$45 million that was originally intended for counternarcotics assistance to the cocaine source countries was reprogrammed to assist Haiti's democratic transition. There are other allegations made in the GAO's report.

Could you comment on those criticisms by the GAO?

Mr. BROWN. I think we have now, probably more so than ever in the history of our counternarcotics efforts, a coordinated working system. Under Presidential Decision Directive No. 14, I was allowed by the President to appoint an interdiction coordinator. I appointed the commandant of the Coast Guard, Admiral Kramek. It is his responsibility to look at the threat and to look at where we have our resources and to coordinate where we go in attacking the threat, changing strategies as we so dictated.

By the same token, we have an interagency working group in our international programs that is chaired by Ambassador Gelbard, who will testify later on at this hearing, to make sure that all of our agencies in our international programs are working together.

You don't hear any bickering about what we should be doing from agency to agency, as has been the case in the past. The reason that is the case is because we are working together because we clearly understand, and the President has made it perfectly clear, that this is not just an effort for one individual agency, this is a collective effort. We have come together on a regular basis, within the domestic counternarcotics effort, to look at what we are doing and what we should be doing to ensure that we work together.

You are correct that the funds were diverted on the Haiti issue for that problem, and that was done knowingly, that that would be used for that purpose because of the urgency of the concern at that point in time. But I can assure you that we do have good working relationships between all of the agencies that are involved in our counternarcotic efforts. We have put together a system to ensure that that will continue.

Mr. CHABOT. I guess the point being—thank you for your response—the point being that it is not just a matter of spending more money but it is also more wisely and more efficiently using the dollars, more wisely managing the dollars that are in our drug-fighting efforts at the present time.

Mr. BROWN. I would agree with you that we have been doing that, which is evidenced by some of the things that we have seen happening that are favorable.

Mr. CHABOT. I am almost out of time, so let me just follow up with a couple of little items.

Also in the GAO report they indicated that President Clinton had announced in November 1993 that he would develop a separate strategy to combat the heroin trade within 120 days. This is back in 1993. That strategy has reportedly been on his desk for months. It is now October 1995, and apparently the national heroin strategy is still waiting to be announced.

So could you comment on that? Or could you follow up with the President on that?

Mr. BROWN. We have developed a heroin strategy. In fact, I traveled to Asia in order to see firsthand what needed to be done, because obviously it involves a regional approach as well as a working relationship between our country and how we can help them. That strategy is in place in terms of its development, and we would expect that any day now it would be signed by the President and the implementation would then take place.

But we fairly well know what we are doing, and we are following the concept of the strategy right now.

Mr. CHABOT. OK. So when you say it is in its place in that it is being developed, but it hasn't actually been announced at this point?

Mr. BROWN. It has been developed. It is still going through the vetting process, and it will be, as I am informed, signed by the President very shortly.

Mr. CHABOT. All right. Thank you very much.

Chairman GILMAN. The gentleman's time has expired.

Thank you, Mr. Chabot.

Mr. Payne.

Mr. PAYNE. Yes. Let me be very brief. Once again, I have to agree with my colleague, Congressman Rangel, when we talk about this whole question.

As you know, the Sentencing Commission was formed in 1984 to look at sentencing on the Federal level. The 1994 crime bill the last time looked at the disparity between crack and powder cocaine. Just for information, you probably know as well I do, that 13 percent of all the drug users are African American, 35 percent of the arrests for drug possession happen to be African Americans, 55 percent of the convictions for drugs happen to be African Americans, and 74 percent of all the prison time spent is African Americans.

Now, when we start to look at equal justice under the law, if we look at the fact that, as you know, under the current guidelines a Federal sentence for distribution of five grams of crack cocaine is a mandatory 5 years, the penalty for trafficking in powder cocaine is the same. Possession for five grams of powder cocaine is subject to a sentence of up to 1 year and maybe a suspended sentence, but five grams of crack is a mandatory 5 years, and the President, in his wisdom, yesterday said that he is not going to allow anybody to get away with doing business or selling drugs in the community.

You know, I am as opposed to the sale of drugs as anyone in this country, but you tell me how someone could stand there and sign a bill in the White House—like I say, you know the man is great when he doesn't deal with politics, but he is the worst when he deals with politics, because there is no way that this can be fair or equitable, and it is just political, and I wish that we could get a President that would stand up and let it stay five grams for crack and make cocaine 5 years, too.

That is what I recommend. Make 5 years for—let it stay for crack; don't make it any easier on crack sellers. But for five grams of powder cocaine make it a mandatory 5 years. That makes it parity, and that is our recommendation. We are not saying drop it for crack, but it doesn't make sense that people pontificate and wonder why people have a separation in this country that says justice is just for them and not for us. It doesn't even make sense.

Let me just ask quickly, though, is the situation better in Haiti now that Aristide is back as far as drug trafficking is concerned? And, second, could you give me an update on Nigeria?

Mr. BROWN. In Haiti, as you recall, because of the isolation, we didn't have a significant drug trafficking problem there, and to my knowledge that has not changed with the President being back.

In Nigeria, as a result of the certification process, where the President is required to certify to the Congress that the major drug trafficking or transit countries are cooperating with the United States or carrying out their own counterdrug efforts, Nigeria was not certified. And the reason Nigeria was not certified is because Nigeria continues to be one of the major drug trafficking syndicates in the world, and, as a result of that, we have been working with them, trying to get them to address some of the concerns we have.

We are seeing, I might add, some progress. We have seen the appointment of Ambassador Mohamed as the drug czar. They have developed a program. They have a budget. They have extradited some of the people that we have asked for. So we are encouraged that they will continue doing what they need to be doing so when the time comes around again we can give a different consideration.

I might also add in terms of your concern, which is certainly my concern, about the disparity between crack and powder cocaine, that one of the reasons the President indicated that he would not veto the legislation submitted to him by the Congress, that he would direct the Sentencing Commission to take another look at that.

I think there is a general recognition that the current law passed by the Congress has two major problems: One, we find our Federal prisons overcrowded with small-level dealers; and, two, the disparity between blacks who use the crack cocaine and whites who use the powder cocaine, that big difference. So it is an issue that is of concern to the Administration.

Chairman GILMAN. The gentleman's time has expired.

We will recess our committee until the votes on the floor. We will dismiss the panel.

We want to thank you, Dr. Brown, for your time and for being here to give us the benefit of your views.

Mr. BROWN. Thank you, Mr. Chairman.

Chairman GILMAN. The committee stands in recess.



[Recess.]

Chairman GILMAN. The committee will come to order. We regret the interruption of the House floor votes.

Panel No. 2 includes our good friend, the administrator of the Drug Enforcement Administration, Thomas Constantine, who I have been acquainted with since his days as superintendent of the New York State Police. He is currently serving as chairman of the International Association of Chiefs of Police, Narcotics and Dangerous Drugs Committee.

We are also joined by the Honorable Robert Gelbard, Assistant Secretary of State for International Narcotics and Law Enforcement Affairs. Forgive me for being out of breath; I ran back here. He has served as Deputy Assistant Secretary of State for South America, Ambassador to Bolivia, and Principal Deputy Assistant Secretary of State for inter-American affairs before assuming his current post.

Mr. George Weise is the first U.S. Customs Commissioner to be confirmed by the Senate. As Commissioner, he has been responsible for an active campaign to streamline and modernize the Customs agency. We are pleased that George has returned to the Hill today, having served as staff director for the Subcommittee on Trade on the House Ways and Means Committee.

Gentlemen, we welcome you.

Mr. Constantine, if you would start off our panel, you can submit your full statement. If you desire, we will make it a part of the record, and you can summarize, whichever you feel appropriate.

**STATEMENTS OF HON. THOMAS CONSTANTINE, ADMINISTRATOR, DRUG ENFORCEMENT ADMINISTRATION; HON. ROBERT GELBARD, ASSISTANT SECRETARY OF STATE FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT, U.S. DEPARTMENT OF STATE; AND GEORGE WEISE, COMMISSIONER OF CUSTOMS, U.S. CUSTOMS SERVICE, DEPARTMENT OF THE TREASURY**

#### **STATEMENT OF HON. THOMAS CONSTANTINE**

Mr. CONSTANTINE. If you don't mind, Congressman, I will summarize the statement and enter a full statement into the record.

Chairman GILMAN. Without objection, the full statement will be made a part of the record.

Mr. CONSTANTINE. I thank you for the opportunity to appear before the committee, and, as you have heard from Dr. Brown and will hear from Ambassador Gelbard and Commissioner Weise, we have some reasons to be encouraged by recent developments on the narcotics issue.

However, the sobering reality is that we also have serious challenges ahead, including the increasing significance of well organized drug trafficking organizations from Mexico who are deeply involved in cocaine trafficking and methamphetamine production and trafficking; the emergence of a strong heroin trafficking business from South America; and, probably the most serious, the increase in drug use among our own people, especially young people in the United States.

As a career law enforcement officer with over 35 years of police work behind me, I come to this committee with a little different perspective than some of the other witnesses who view the problem from the foreign relations perspective or an overall strategy involving prevention and rehabilitation or interdiction.

As the administrator of the DEA, my priority is to ensure that drug dealers and their violent drug organizations are investigated and hopefully eventually apprehended. During my career, I have had many opportunities to see firsthand how drugs ravage communities in the United States, and I have heard many times how residents, especially the elderly and the poor, have become prisoners in their own homes because they are afraid to walk to the corner store.

As a result, I view the foremost objective of DEA to attempt to make our citizens safer and to improve the quality of life in the United States.

About 10 days ago, I spent a good deal of time meeting chiefs of police at a conference in Miami where almost 11,000 police chiefs attended. I can tell you that there is no issue more important to law enforcement than ridding our communities of violence and drug offenders.

As you can see by some of the material that we have brought with us, these drug mafias have long and powerful reaches. From the Cali mafia to the traffickers from Mexico to drug gangs operating in the United States, each link in the chain has an impact on the quality of life in America. The Cali drug mafia has reached into the United States to murder journalists, businessmen, and frequently innocent people.

This past summer, good police work on the part of the local police, the FBI, and the DEA led us to the interdiction and arrest of a group of assassins who had been sent by the Cali mafia to kill crack peddlers in the city of Memphis. As you know from firsthand experience, these very drug mafias conduct business in our own backyard.

A few years ago, while I was superintendent of the New York State Police, the drug organization run by Jose Santacruz Londono set up a whole series of laboratories throughout New York State, including Sullivan County, in a community that probably only you and I are familiar with called Calicoon Center, which was once most noted for a training ground for young Franciscan priests.

This Cali group had infiltrated these peaceful communities and set up a massive laboratory which was eventually intended to serve the New York City drug market.

You also know that there are violent trafficking groups that have adversely affected some of our smaller cities, Newburgh, New York, being one in question. Additionally, Congressman Hamilton and Congressman Burton are on this committee, and I have numerous pieces of correspondence and have arranged meetings between people in law enforcement in Indiana and the DEA to try to do something about what they see as a difficult problem with drug dealers and violence.

It is impossible for me, after viewing this problem over so many years, to separate drug trafficking into purely domestic or international categories. For us, the drug trade is a seamless continuum



in which all aspects of the trade are interdependent upon one another.

About 2 weeks ago, a young Maryland State trooper, Edward Plank, was gunned down and executed while making a routine traffic stop within 50 miles of where we sit—this young man murdered and his wife widowed and his one child left without a father over a pound of powder and crack cocaine.

Although the tragedy happened in rural Maryland, if we traced the journey of all of these drugs, they would lead us back eventually to Colombia for the origination of the traffic. This group not only affects criminal activity in the United States, but in Colombia, they seriously poison parts of the Colombian system, as evidenced by the arrest of high-level officials, including the Colombian Minister of Defense. But their influence quickly has spread to other countries.

Beginning in the late 1980's and now in the 1990's, this group formed an alliance with Cali drug traffickers in Mexico to ensure that the cocaine was transported and distributed in the United States. These organizations from Mexico, already proficient in marijuana and heroin trafficking, were able to begin cocaine trafficking on a large and sophisticated scale.

In the early stages of the partnership, the traffickers from Mexico were paid in cash per unit for their services, but as the partnership solidified the Cali mafia began providing traffickers from Mexico with cocaine of their own to establish their own operation.

I must say that the arrest of the individuals over here is probably one of the major organized crime arrests and curtailments that I have seen or heard of since the Appalachian raid of 1957.

I seriously believe that these arrests would not have occurred if the Government of Colombia had been given full Presidential certification last March. In my opinion, the fact that our Government sent a clear and unequivocal message to the Colombian Government that arresting the drug lords needed to be their main priority provided the Colombian National Police with the moral support they needed to get the job done.

Much credit goes to the Colombian National Police, especially General Serrano, who, against great odds, tracked down and arrested the leaders of the Cali group. At one point in time they were thought to be untouchable.

Also, credit goes to the members of the U.S. Congress who supported the President's certification decision and spoke out about the situation in Colombia, you and Congressman Rangel being two prime people in that arena.

Last week, the President's announcement before the U.N. General Assembly regarding the dangers posed by international crime to the national security of the United States and all other countries is a major step forward and was received well by the law enforcement community.

Among the set of initiatives unveiled was a plan to go after the assets of the Cali drug group. I believe going after an organization's money and assets is one of the many effective ways to cripple the operations, and I have seen it work time and time again within the United States.

Although there are some sporadic reports of significant increases in street prices of cocaine, I don't believe we are going to see any dramatic impact on the availability of cocaine in the United States in the short term.

We do, however, believe that the effect of these arrests will have a positive effect in breaking up a group that had operated with impunity for so long. Much depends on the future fate of these leaders, and whether they will receive and serve meaningful sentences, and who fills the void left by this group.

Last November in Thailand, 10 top lieutenants in the largest heroin trafficking organization in the world were arrested and jailed there. These individuals were key members of the organization, the Shan United Army, a notorious group that leads an army of about 20,000 people in Burma near the Thai border. The individuals arrested included the financial officer, the broker and refinery manager, sales representatives, and precursor chemical specialists. These individuals still remain in jail, and they await extradition to the United States, where they are under indictment in the Eastern District of New York.

The individuals arrested have been documented in DEA files for the past 20 years. We have just now been able to move against them. This was due, I think, to extraordinary work on the part of people in DEA and Thailand along with the Royal Thai Police. They defied the power of Khun Sa, and the Thai police made many of these arrests at great personal risks.

It has been almost a year since the members of these organizations were arrested, and the extradition requests for these individuals are pending. The Thai Government has stripped citizenship from them since no Thai citizens can be extradited. We are hopeful that the Royal Thai Government will move quickly to ensure that these traffickers are brought before the U.S. courts to stand trial.

However, despite these successes, there are challenges. One is problems with judicial systems in law enforcement in many countries in the world that affect organized crime activity in the United States.

As we wait for the Government of Colombia to prosecute the Cali drug lords, we need to remember that no major drug trafficker in Colombia has been tried, sentenced, and convicted, and then served a jail sentence that would be commensurate with the heinous crimes they have committed. We are deeply concerned about this fact, and we hope that the Cali leaders will be held to the highest standard of justice and will be made to pay for their enormous crimes.

Our concern is that, based on their huge number of criminal acts and violence committed in the United States and the rest of the world, they receive a commensurate sentence.

We have been encouraged by the statements and actions of both President Zedillo and Attorney General Lozano, who have made narcotics control one of their top priorities. However, in all honesty, at the current time law enforcement organizations in Mexico do not have the benefit of many systems we take for granted in the United States, such as integrity assurance, training, careful candidate screening, and selection.

It is sometimes difficult for us in America to understand the complexity of the law enforcement situation in Mexico, but we believe that in order for that government to really make significant strides against these traffickers they will have to begin major reforms in their law enforcement programs.

The heroin issue, which others may talk about, is of real concern to us. For the first time, DEA's domestic seizures and analysis reflect that South American heroin represents about one-third of the purchases that DEA was involved in in 1994. That is significant because 3 years ago Colombia was an insignificant contributor to the problem.

The potential involvement of organized crime and well established trafficking groups from Colombia in the heroin trafficking business should be a major concern to all of us. Opium production has increased, and in the past several years savvy traffickers in Colombia are attempting to secure a share of the heroin market in the United States. As we talk to our agents, they are replete with stories about individuals who are purchasing cocaine are made to purchase certain amounts of heroin.

Currently the heroin coming from South America is a much higher grade purity than we were used to in the past. In some of our cities, especially on the East Coast, that purity can be as high as 90 percent, and it has led to numerous overdose deaths in many of the States in the Northeast.

Opium production and heroin refining and trafficking continue in Burma, where the U.S. access is limited. If we can establish a meaningful heroin control program in partnership with that government, we may be able to make some improvements, however slight, on the heroin problem that we are now having.

One issue which recently has exploded on the West Coast and is moving rapidly across the country is methamphetamine, not a new drug but new manufacturers and new producers. It is relatively recent and is becoming urgent in some States.

The trafficking syndicates from Mexico control the methamphetamine distribution presently. They have mastered the ability to obtain the necessary precursor chemicals for methamphetamine and are able to manufacture that drug in Mexico or in labs in California. It is a dangerous, cheap, and plentiful drug which contributes to violent and quick addiction.

In many places—California, the States of Washington, Oregon, Florida, Arizona, and Texas, and increasingly in Georgia, Kentucky, and Tennessee—methamphetamine trafficking has caused significant health and law enforcement problems. In just 2 years, from 1992 to 1994, the deaths from methamphetamine overdose have increased nationally 145 percent, the bulk of these in four U.S. cities—Phoenix, Los Angeles, San Diego and San Francisco. In Phoenix alone, the deaths have increased to 510 percent from 20 deaths in 1992 to 122 in 1994.

We believe that these major drug gangs operating out of Mexico may pose presently our largest threat. They have reached a level of sophistication which may allow them to fill the void left by the leadership of the Cali group.

Because of the way that the Cali leaders ran their organization, much like other organized crime syndicates in the past, they were



a tightly controlled and highly structured business that was almost completely dependent on leadership. We will see who will control this business as the principal leaders have been put in prison.

It is more likely one of two events will occur: Either a second tier level within Colombia, or Mexican gangs that can circumvent the Colombian groups, obtain cocaine directly from groups close to the source, increase their production of methamphetamine, and possibly reinvigorate their heroin trafficking franchises, will fill the void left by the Cali group.

Because we believe that the groups from Mexico pose a formidable threat, DEA and the FBI are working in tandem on a new, comprehensive attack on the drug trafficking along the southwest border. A true partnership has been forged amongst Federal, State, and local law enforcement to target this drug trafficking and will include as many as 500 law enforcement officers from a variety of different Federal, State, and local agencies.

Juan Garcia Abrego, who is currently on the FBI's top 10 most wanted list, hopefully he, along with other members of that Mexican federation, will be brought to justice. This is our top priority at the present. Because the world situation is really changing so rapidly, it is important for us to identify future areas for cooperation and coordination.

With the assistance of the Department of State and the Inter-agency Working Group on Law Enforcement on training, working closely with the FBI, Secret Service, and other agencies on the implementation of law enforcement training in Eastern Europe, we are already a full participant at the International Law Enforcement Academy in Budapest.

DEA has trained 2,300 officers through 50 training programs in 37 countries this year alone. Our 1996 training budget projects our being able to conduct between 48 and 55 training programs in 33 countries. In our fiscal year 1996, DEA and the FBI have asked for funding to open an office in Beijing, China. We will also be looking for the fact of having a presence in Moscow and in South Africa.

Closer to home, next month, on November 13, DEA will open a new division office in San Juan to handle the bulk of the Caribbean issues as well as Puerto Rico, which is increasingly vulnerable to trafficking.

Congressman, the problem of international drug trafficking is obviously difficult for the United States and other nations. It is DEA's role to assist other nations to meet their challenge together. We recognize, however, that our first obligation is to the American people, many of whom are victims of drug crimes which have international dimensions. We are working at home and overseas to identify, target, and dismantle some of these organizations.

I would be happy to answer any questions that the committee might have.

[The prepared statement of Mr. Constantine appears in the appendix.]

Chairman GILMAN. I want to thank DEA Administrator Tom Constantine for being with us.

Assistant Secretary Gelbard.



### STATEMENT OF HON. ROBERT GELBARD

Mr. GELBARD. Thank you, Mr. Chairman. Thank you for the chance to update you on the Administration's foreign counternarcotics and anticrime programs.

If you would allow me, I too would like to submit my full statement for the record and then summarize the major points.

Chairman GILMAN. Without objection.

Mr. GELBARD. Thank you, sir.

First, I would like to express my appreciation to you, Mr. Chairman, and to this committee for the incredible support we have received from you for counternarcotics work over the years, keeping these issues high up on the list of public policy concerns. You, Mr. Chairman, are a true leader on this and have made a remarkable contribution to the welfare of all Americans.

The President's new crime initiative announced just over a week ago makes this hearing especially timely. Our world has changed, and so have the dangers that confront us. In the post-cold war period, we recognize that international crime is a major threat to world stability and to our national security. We know that the vast majority of the American people consider illegal drugs and crime to be among our most important foreign policy issues, and there is great pressure on public officials to take effective steps against them.

As President Clinton said at the 50th anniversary proceedings of the United Nations, nowhere is cooperation more vital than in fighting the increasingly interconnected groups that traffic in terror, organized crime, and drug smuggling.

Overseas policy and programs are integral to the success of our National Drug Control Strategy. In relative terms, the funding we have for our overseas efforts aimed at attacking cocaine and heroin is extremely limited. The State Department's budget for fiscal year 1995 came to less than 1 percent of the Federal Government's overall antidrug spending last year, so every penny we have counts. It means that the incentives and pressures we apply must be carefully orchestrated to achieve maximum effect. It also means that we must work even harder to convince countries that confronting the threat ultimately serves their own national interest.

The centerpiece of our program to combat cocaine lies in the source countries that grow coca and/or are the centers of the international organizations that control most cocaine processing and worldwide distribution.

In addition to our crop reduction and drug interdiction efforts in the Andes, we also pay close attention to counternarcotics law enforcement, anti-money-laundering initiatives, and support for drug interdiction throughout the region.

Further, I must stress the importance of strengthening countries' institutional bases by helping them enact good drug laws and streamlining their police and judicial capabilities, and, to continue to achieve our help, these countries must know that they are expected to achieve results. Our diplomatic efforts and programs are producing significant achievements in all supply reduction fronts: crop control, interdiction, and criminal investigations.

One of the most outstanding accomplishments of the past year has been a two-pronged attack on air smuggling operations from

South America to the United States. It begins with the disruption of drug smuggling flights between Peru and Colombia, the so-called air bridge, followed by thwarting of jet cargo flights delivering multiton shipments of cocaine into Mexico from Colombia and elsewhere.

The adverse consequences to the trade are evident: Coca prices at the farm gate in Peru are falling; operating costs in Colombia are increasing; profits at both ends are being squeezed.

In Peru, we are working to translate lower coca prices into intensified crop control efforts. In other developments, Colombian law enforcement authorities are apprehending the world's most wanted criminals, the Cali cartel kingpins, and preparing to prosecute them.

Eradication operations in Colombia and Venezuela and, to a degree, in Bolivia are destroying thousands of hectares of coca and opium poppy. Thailand has arrested 10 key international heroin traffickers and a major marijuana trafficker and is processing U.S. requests for their extradition.

None of these efforts, however, has yet broken the back of the trade. Indeed, worldwide drug use remains so large and the profits so great that the traffickers' response is to find alternate routes and methods rather than quit. As the pressure mounts, they will also retaliate with intensified efforts to corrupt and intimidate senior narcotics officials abroad.

It is therefore imperative that we keep up the pressure and sustain the momentum to consolidate our gains and confront the new and continuing challenges we face. One of our most powerful tools is the narcotics certification process. In this year, there were no rubber stamp approvals. Some of our frank appraisals meant denial of full certification for some countries with which we have enjoyed strong bilateral relationships.

As we gear up now for the next certification cycle, let there be no mistake. Countries care about where they stand, and their concrete performance in the Andes as well as in Asia and elsewhere may be substantially linked to narcotics certification. We will recognize and reward those countries that respond positively but will not accept piecemeal, misdirected, or last minute efforts.

Turning to heroin, while there have been some advances, I must candidly say that the United States today faces a worldwide heroin threat of unprecedented magnitude. Purity levels are up; production has more than doubled in the past decade. It is spreading, and it is increasingly occurring beyond the effective reach of the United States and of central governments.

Moreover, trafficking networks are proliferating, and new markets and sources have created an increasingly complex web of routes and organizations that span every continent. We are beginning to feel the repercussions in terms of greater domestic heroin use and addiction, as Administrator Constantine said.

Our comprehensive review and policy regarding international heroin control has shown that a number of practical steps are available to us and are being implemented. We can implement effective programs if we have an opportunity and the resources to work with committed governments. We must keep our efforts focused on the most critical and not the easiest parts of the trade,

and we must be committed to a sustained effort. Fundamental progress requires time.

We know that the key today to opium control in the United States is Burma, the world's largest producer and contributor to a staggering 60 percent of the heroin that comes into the United States. We rightly suspended drug control assistance in 1988 following the Burmese military's brutal suppression of the pro-democracy movement.

But as Burmese heroin continues to flow into the United States, we must search and have searched for new ways to attack the problem. In addition to limited training and information exchange, our primary goal is to foster support for alternative development and eradication through the U.N. drug control program to reduce opium poppy cultivation in the ethnically controlled areas of Burma.

We would not, Mr. Chairman, under any circumstances, undercut our democracy and human rights goals in Burma in the face of the brutal State Law and Order Restoration Council, and we therefore were stunned by the passage of the Richardson-Rohrabacher amendment which would limit our ability to operate in Burma.

In today's world, we understand only too well that drug trafficking is not a discrete problem to be challenged in a vacuum, it is part of the overarching problem of transnational crime, which is not simply a law enforcement matter.

That is why the Presidential Decision Directive on International Crime, which the President announced at the United Nations on October 22, is so important. Taken as a whole, it provides a comprehensive policy framework for combating this growing threat to our national security.

Key to this framework are the Executive Order under the International Emergency Economic Powers Act aimed at undermining major narcotics traffickers centered in Colombia and a money laundering initiative which will go after the profits of these criminals.

The companion initiative instructs the Secretaries of State, Treasury, and the Attorney General to identify the nations which are most egregious in facilitating criminal money laundering and press them to enter into bilateral or multilateral arrangements to conform to international standards against money laundering or face the threat of economic sanctions.

On the legislative side, the President also instructed the Administration to prepare a comprehensive legislative package to enable law enforcement authorities to better investigate and prosecute international criminals.

The Administration will also seek appropriate authorities for U.S. agencies to provide additional training and other assistance to friendly governments to help in their own efforts to combat international crime.

Finally, the President called for the negotiation of an international declaration on citizens' security and combating international organized crime, which is also intended to focus on the nexus of issues related to crime and narcotics such as terrorism and the illegal trafficking of arms and deadly materials.



Mr. Chairman, the President's public position on narcotics and crime is bold, unprecedented, and his fresh initiatives are practical. His objectives are shared around the world and are now an integral part of our bilateral and multilateral relationships and endeavors. Transnational criminal elements that undermine our values and threaten our security and attack the fabric of our society are on the defensive.

As we go about our work, I want to reiterate our continued appreciation for the support from this committee for wholeheartedly committing itself to confront the international scourge of drugs and crime. As we have seen, we live in an era of tight budgets and diminishing resources, we know this as well as anyone. But I do want to echo Dr. Brown's earlier comments.

Despite your and your committee's support, Mr. Chairman, for the Administration's full request of \$213 million for overseas counternarcotics programs, the House-Senate Foreign Operations Conference cut our budget nearly in half. This is a stunning blow, which makes the task of maintaining the momentum we have achieved extremely difficult. Moreover, the conference was apparently unable to remove restrictions on carefully crafted programs which we envisioned for Burma to reduce the opium crop there.

These restrictions and limitations which the conference may have placed on our drug control efforts in Guatemala, too, directly affect the health and welfare of the American people.

These facts are obvious: Crime and illegal narcotics degrade all that we hold dear. In President Clinton's words, we must act now to confront the forces that jeopardize the global trend toward peace and freedom, undermine fragile new democracies, sap the strength from developing countries, and threaten our efforts to build a safer, more prosperous world.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Gelbard appears in the appendix.]

Chairman GILMAN. Thank you, Mr. Secretary.

Commissioner Weise, I just would like to say we are going to have another roll call, so in about 5 minutes we will recess for the vote and come back. But go ahead. You may introduce your full statement or summarize, whichever you see fit.

#### STATEMENT OF GEORGE WEISE

Mr. WEISE. In light of that, if I could summarize in 5 minutes or less.

Chairman GILMAN. Without objection, we will accept the full statement in the record.

Mr. WEISE. Thank you very much.

It is a real pleasure for me to be here with this committee, and I want to join my colleagues in commending your leadership, Mr. Chairman, as well as this committee for its strong support throughout the many years.

I am here to talk about the Customs role in the National Drug Control Strategy. As all of you know from your many years of experience, we are the principal agency responsible for the interdiction of drugs at our Nation's border.



Customs made a long-term commitment to narcotics enforcement. It has maintained this commitment for decades. We have seized over 702 tons of cocaine and 9 tons of heroin over a 10-year period. Those are impressive numbers, but they are not good enough. I, like other members of this committee, am concerned that we are not seeing enough increases in seizures. We are going to do better, and we are going to work harder to improve that.

In my written statement, I have detailed to you our approach to drug interdiction over this past decade. But in the interest of time, I would refer you to that statement and tell you what we are doing now in the area of narcotics interdiction.

The one thing I want to make as clear as I possibly can, on record for this committee, is that, contrary to recent opinions expressed in some reports, the Customs Service has not deemphasized our efforts to interdict illicit drug shipments. Indeed, we have increased them.

Let's look at our southern border as an example of the continuing narcotics threat and our actions to thwart it. The border is almost 2,000 miles long, with 38 ports of entry. Last year, 2.7 million trucks, 84 million cars, and 232 million people crossed into the United States through these ports.

Smugglers, pressed to get their illegal narcotics into the country, have become desperate and are now resorting to an activity, a very violent activity, that we call port running, which involves an individual who doesn't hide the narcotics in a vehicle in a secret compartment, they simply put them in the trunk.

They drive up to the primary inspection lane and then the inspector asks the individual to "Please open your trunk," the individual hits the accelerator, going at great speeds, causing great peril not only to our Customs officers but to all the people, innocent people, in the area. People have been hurt; we have had shootings; we have had deaths.

Port running became widespread in late 1994 and during the first quarter of 1995. In fiscal year 1994, we saw a tripling of instances of port runners, 827 instances. In January and February of this year, Customs experienced two to three instances of port running a day. Even worse, shooting instances began to average one per month, and injuries to our border officers and civilians were increasing at an alarming rate.

In response to this increased level of violence on the southwest border, we initiated Operation Hard Line. In February of this year, Dr. Brown and I jointly announced this new campaign. To address the problems of border violence and port running, this initiative is strengthening and tightening the ports of entry on that border. First, through facility improvements and the use of technology. Jersey barriers, fixed in pneumatic bollards, speed bumps, gates, stop-sticks, aviation, and narcotic detection dogs are all being used to identify and control suspect vehicles.

We are changing the way we do our business in terms of making sure that vehicles are examined earlier in the process, as they are standing in line, and not waiting until they have the opportunity to run. We are using technology, x-rays, and a number of other things to clamp down on that very important issue.

And, equally important, as you know, we are going to clamp down on instances of smuggling. We know that there is a movement toward commercial cargo, and we are clamping down on that as well, using, again, technology and methods of operation.

We have experimented in Otay Mesa, California, for example, with a full container cargo x-ray machine, where the entire truck, much like a car would go through a car wash, can go through this x-ray machine. We have seen dramatic results. We have had over 50 seizures in less than a year with that prototype.

We would like to use more of those along the border, but, once again, it comes down to cost, \$2.5 to \$3 million per unit. But with the infusion thus far through Operation *Hard Line*, we have commitments to put an additional one in El Paso, Texas. We can add up to nine additional ones, with your support to get the funds necessary to do the job.

Customs' efforts to stop drug smuggling also extend beyond our borders. Our aviation program is an example of our continued resolve and is a critical element of the President's International Drug Control Strategy. That strategy embraces the philosophy of attacking a narcotics problem primarily at its source. A high level of Customs air support is now dedicated to the President's source and transit zone initiatives.

In the South American source countries, Customs is cooperating with the U.S. Southern Command to conduct detection and monitoring missions with Customs P-3 AEW and P-3 Slick aircraft. These aircraft account for some 45 percent of the U.S. Government's airborne detection and monitoring effort in South America.

This year, Customs has expanded its support of the President's International Drug Control Strategy by dedicating for Citation II aircraft and five crews to support South American counterdrug initiatives. The operating costs of these aircraft are being funded by the Department of Defense. These aircraft are being used to augment current air interdiction efforts in the region. They are also being used to train South American host nation forces and airborne intercept and tracking tactics. This training is an essential part of our international drug strategy developed by ONDCP and the Department of State.

Mr. Chairman, the Customs strategy I have outlined very briefly this morning is only a glimpse of a very long-term commitment by this agency to the Nation's overall drug enforcement effort. I could also discuss our dynamic investigations on money laundering, such as the BCCI case, the narcotics organizations uncovered in cooperation with DEA, "Operation Cornerstone," our cooperative air initiative with Mexico, our efforts to attack heroin trafficking through Customs organizations worldwide, and other operational missions involving our P-3 aircraft which remain a centerpiece of the international strategy.

In conclusion, the interdiction efforts and the strategy of the Customs Service are essential to the success of the National Drug Strategy. I hope I have been successful in illustrating to you today the important role the Customs Service plays in attempting to close the avenues of opportunity to drug smugglers at our Nation's borders and to reaffirm my position to you and to the American public, we will never relent in this fight.

Thank you very much, Mr. Chairman. I would be happy to answer any questions.

[The prepared statement of Mr. Weise appears in the appendix.]

Chairman GILMAN. I am going to recess our committee for a floor vote. We will continue as soon as the vote is over.

The committee stands in recess.

[Recess.]

Mr. CHABOT [presiding]. We are going to come back to order. I understand that Chairman Gilman will be back shortly. He is over voting right now.

I have a question for Secretary Gelbard.

The Colombians have lost several helicopters in major counternarcotics operations recently; it is my understanding about six. What are we doing to expedite their request for 12 excess Hueys from U.S. military inventory so we can keep the pressure on down there at this critical moment?

Mr. GELBARD. Well, in fact, Mr. Chairman, we have worked extremely well with the Colombian Government on these issues. We have provided extraordinary funding to support their eradication program in addition to the law enforcement programs, and this at a time when our overall budget has been going further and further down.

I am not aware of any request for 12 excess Hueys. The commander of the police has, indeed, just come in—has just sent a letter to me asking for other kinds of helicopter support.

What I intend to do—and this relates to one of the problems we see in many areas around the world—is try to help them to get back on active duty a number of helicopters which they own but which are not operating right now.

One of the keys to trying to develop strong forces in Latin America, Asia, or anywhere else, is maintenance. For example, right now Colombia owns 10 Black Hawk helicopters of which only four are operating.

I have begun talking with the Department of Defense, including as recently as yesterday, about programs we could jointly undertake so that all of their Black Hawks could be flying, and indeed what General Serrano wrote to me about was Black Hawk helicopters.

Mr. CHABOT. Thank you.

Also, Mr. Gelbard, in April of this year you fully certified Brazil as cooperating with our efforts against drugs, yet most recently a key and very important figure in Colombia's police efforts to thwart coca base headed by air into Colombia described Brazil as "indifferent" in the struggle against narcotrafficking.

What is the true picture in Brazil at this time?

Mr. GELBARD. Well, Brazil and Venezuela both are countries which have become significant transit countries, particularly as law enforcement efforts in Colombia and elsewhere have improved.

It would be unfortunate to comment on a statement which I am not aware of firsthand, but there is no question that there has been, as the operations in the air bridge, to which I referred in my statement, between Peru and Colombia have improved in their effectiveness with significant U.S. Government support—what is clear is that there has been a swing on the part of trafficker move-



ments over Brazilian air space, particularly in areas which are largely uninhabited.

The Brazilian Government currently has a request to the Eximbank of the United States for a major purchase of radars, the principal use of which would be counternarcotics, and they would intend to use those radars as part of a detection and monitoring system so that they could pick up against trafficker aircraft. They are also increasing their efforts under the new Cordoso Government against narcotics, as we have seen in terms of recent cooperative efforts that have just begun taking place, particularly between Peru and Brazil.

So I think, given the vastness of Brazilian territory, that we have just begun to see and will continue to see, in coming months, a significant improvement on their part.

Mr. CHABOT. OK. Thank you.

Let me ask Mr. Weise a question, if I could.

The recent phenomena of trucks coming up, I understand, and trying to run past the Customs has been fairly alarming. I understand we have had well over a thousand incidents in the last couple of years, and clearly the well-being of our Customs agents on the border is in danger. I think this is something we should look at very closely, and if there is a legislative initiative that we could undertake with regard to protecting the safety of Customs officers, I would like to move forward on that.

I note that the Federal murder statute does not apply to Customs officials, and I am wondering if we might want to amend the law to include Customs officers who are engaging in drug interdiction efforts.

I am a member of not only this committee, the International Relations Committee, but also the Judiciary Committee and the Subcommittee on Crime of the Judiciary Committee. I certainly would be willing to take a very close look at this matter, see if the law couldn't be tightened up to deter these incidents, and, as I understand it, I believe a Customs agent lost his life in just such an incident.

So could you expound a little on what I have just indicated?

Mr. WEISE. Yes, indeed, Mr. Chairman.

I very much appreciate your comments because it is getting increasingly violent on the border. As a matter of fact, I don't have all the details yet, but I just learned there was a shooting this morning at the border in San Ysidro. It doesn't look like any Customs officers were harmed. We did lose Inspector McGracken, who, several years ago when this modus operandi began to become popular, attempted to grab on to the vehicle to stop it and was carried about 300 yards, then thrown from the vehicle, and killed.

We believe that there is a need to have a statutory change, and we have been working through the Administration for this change. We have proposed legislation that now has gone through the approval process at Treasury, and my understanding is that it is about to emerge from the OMB process that would make this a specific crime. Once we get this to be an official administrative proposal, we would very much appreciate your assistance and support. I think it would go a long way in providing some support for those



Customs officers who are on the frontline trenches, risking their lives day in and day out. We would very much appreciate it.

Mr. CHABOT. I appreciate your response, and I know that if we have a death penalty for other Federal officers who are killed in the line of duty, I think we certainly should have that same death penalty for those who would take the life of a Customs agent as well.

My time has expired, so I will ask Mr. Menendez if he has any questions.

Mr. MENENDEZ. Thank you, Mr. Chairman.

I want to first commend this panel. I know the work that you do. I heard two of your statements, and I read the other statement, and I have several questions that I would like to submit for the record, because in 5 minutes I would like to propound a different line of questioning.

But the answers to those questions would be very important to me, particularly as they relate to Mexico, and some questions of money laundering, and some other issues that I am concerned about also in the context of NAFTA and our relationship in that respect, which may teach us some lessons for the future as we enter into other free trade agreements about our opportunities when there are countries that may be considered for free trade agreements, an opportunity to make sure that we pursue some of the goals that we mutually desire in terms of having the legislative infrastructure to try to deal with some of those issues. So I will submit those for the record.

[The information referred to appears in the appendix.]

Mr. MENENDEZ. But I wanted to pursue something that Mr. Rohrabacher brought up earlier and that was somewhat dismissed rather casually, and I said to myself that it appears to me to have been dismissed rather too casually. Certainly as the United States and movements within the United States to consider changes in U.S.-Cuba relations, it raised questions in my mind, and I would like to address my questions to anyone on the panel who can answer them, but most particularly to Ambassador Gelbard, who has a long amount of time in not only his present capacity but also at the State Department.

Ambassador, Mr. Rohrabacher questioned Castro particularly. I am going to broaden that because of Cuba's history of involvement in narcotics trafficking. Can you relate some of that for the committee?

Mr. GELBARD. Well, Mr. Congressman, as you are well aware, I was the person in the previous administration who managed our Cuba policy, and, as such, I am aware that in the past, certainly in the period of the late eighties, 1989, there was involvement on the part of a number of Cuban officials, particularly including some military officers, which resulted ultimately in, and supposedly for that reason, in the execution of several officials.

There have been, of course, press stories about involvement of other Cuban officials over time.

We have a relatively limited base of information because of our limited relationship and presence in Cuba, but I certainly remain deeply concerned about the fact that if, for no other reason, Cuba's

location means that there is a significant amount of transit of drugs over and near Cuba into the United States and elsewhere.

Earlier this year, in May, I was in the Bahamas visiting our counternarcotics installations through OPBAT—Operation Bahamas Turks and Caicos—and flew very close to the edge of Bahamian air space near Cuban air space, and was shown by our DEA officials in particular the areas where Colombian trafficker aircraft or boats will drop off packages of cocaine to be picked up later, or will patrol in Cuban air space, hovering, waiting until there is an opportunity to move into Bahamian air space.

We remain concerned about the fact that there is a lot of trafficking taking place in that area, and it is a significant hole in our ability to have a serious Caribbean counternarcotics.

Mr. MENENDEZ. If I may interrupt you just for a moment, I see my time is on the run here. I appreciate your answer. I think that your concerns are not without foundation. In fact, in 1982, the U.S. District Attorney in Miami handed up an indictment of four top Cuban officials on charges of smuggling cocaine through Cuba to the United States.

In Andres Oppenheimer's Pulitzer Prize-winning book, *Castro's Final Hour*, he recites how in the early eighties and continuing there through, Castro used his Medellin cartel contacts to fly weapons to Colombia's M-19 guerrillas. He had discussions with Carlos Lehder, one of the Medellin cartel's top leaders, who would testify years later in a U.S. court that he met twice with Raoul Castro, the brother of Fidel Castro, in Cuba to clear these flights.

There is also information dealing with the regime's ties with the Colombian drug traffickers to help solve a \$4.6 million dispute between Panama's military chief at the time, General Noriega, and the Medellin cartel, when the Medellin cartel threatened to kill Noriega unless he returned the money they had paid for protection of a huge western Panama cocaine laboratory that had been destroyed in a DEA-led raid, and Castro persuaded the Panamanians to come to terms with the Colombians. And the list is endless.

So I am seriously concerned, and I heard Secretary Brown refer in an answer to Mr. Rohrabacher about flights over Cuba. I guess that is what you are alluding to as well. We know that the Castro government clearly does not permit flights over Cuba unless they are controlled, as doesn't any other country. So when you permit them to take place, you wonder how one can continue to say well, we are blind to what is happening.

I think there is good reason for foundational concern, and the reason I raise it in this context is, as there are approaches toward changing U.S. Cuba policy, I think we have to be seriously concerned that, as we are fighting on all of these fronts, we don't open up another front that would be increasingly difficult for us to deal with.

Mr. Chairman, I would like to ask to include a series of pages from Mr. Oppenheimer's book that details with footnotes this history, including references to documents of the U.S. Attorney General.

Mr. CHABOT. Without objection, so ordered.

[The information referred to appears in the appendix.]

Mr. CHABOT. It has been brought to my attention that the panelists have another commitment, and so we are going to have to wrap up very shortly.

Perhaps there is time for just a couple of more questions, Mr. Rohrabacher.

Mr. ROHRABACHER. OK. Well, I have 5 minutes. I will be out of here in 5 minutes. That will be fine. Thank you, Mr. Chairman.

First of all, let me state that I recognize that all of you are engaged in a battle that, unless the American people are actually behind your effort, it is not going to be successful, and especially U.S. Customs is trying to hold the line. But if we have people in the United States who are consuming drugs and we have this huge market, it is very difficult for you folks to do your job.

And I agree with Mr. Rangel, again, that we have got to get to the demand side of this problem, and, to me, making sure that we have a national consciousness that will not tolerate the use of these illegal drugs, at any level, in a social context or business context or any other context, that is the first step, and you can't do your job if the American people have a different set of values, and I recognize the hard work that you put in.

But with that, I would like to focus on the Cuban connection, and I am deeply concerned that this has been totally ignored, and I will have to say the remarks that I just heard reinforce that you are, again, ignoring what the heart of the issue is, that we are trying to get at, where we have been talking about air space.

Let me ask you then, Mr.—

Mr. GELBARD. Gelbard.

Mr. ROHRABACHER. Gelbard, sorry.

Is Robert Vesco in Cuba today?

How long has he been in Cuba?

What relationship did he have to the drug trade in this hemisphere?

Mr. GELBARD. Congressman, I would prefer to leave that to respond through the record, if I may.

Robert Vesco has been in Cuba since 1983. He was arrested there on June 9, 1995. He is still being held by the government of Cuba. Our Interests Section in Havana has sought permission for one of its consular officers to visit Vesco in jail. Vesco has indicated through his attorney and other channels that he does not wish to have a U.S. consular to visit.

Federal courts in a number of districts have outstanding warrants of arrest for Vesco on a number of criminal charges, including fraud and drug-trafficking. His alleged involvement in narco-trafficking began in 1978 and extended through 1990.

Mr. ROHRABACHER. This is your area of specialty, isn't it? I mean, you are supposed to know about Cuba, and you have had a long-time involvement in this.

Mr. GELBARD. I don't have all the facts at hand at my fingertips in terms of Vesco's presence. Certainly he has been there many years. We have made major efforts to get the Cuban Government to expel him to the United States, and those efforts have been rebuffed.

Mr. ROHRABACHER. Am I incorrect that it is common knowledge that Mr. Vesco has at times, if not all the time, been involved with major organized crime efforts in this hemisphere, especially dealing with drugs?



Mr. GELBARD. There are a number of criminal cases that have been made against him in the United States. I would defer to Mr. Constantine to respond on the cases on narcotics.

Mr. CONSTANTINE. Congressman, let me just give you a little bit of background that will hopefully be a little bit helpful.

I have been investigating the groups out of Colombia since 1985 when I was a colonel in charge of the field operations for the New York State Police and the groups from Cali had taken over all the major cocaine trafficking in the United States. In all of those investigations—and they were huge investigations involving major indictments and seizures—there never was a surfacing at that point of anybody from Cuba or Mr. Vesco.

Mr. ROHRBACHER. How about the four top officials that were indicted in 1982?

Mr. CONSTANTINE. I am starting with 1985, as I mentioned. 1982 I really couldn't tell you.

I think what has fundamentally changed in the drug trafficking is that at one point in time the Caribbean and Florida were our most vulnerable points and our points of entry. What happened was, about 75 percent of that cocaine trafficking especially has moved over to Mexico and to the southwest border; 25 percent, roughly, stays in the Caribbean.

And I think the answer that the Ambassador made is correct. Our biggest concern in Cuba right now is that as we track flights that leave some place in South America, when they hit that space they become lost to us. When they become lost to us, we then have a problem.

Mr. ROHRBACHER. I will say that that obviously is a concern that has been brought up by the level of focus that has been on Cuba.

I am trying to tell you today—and, again, I am very disappointed in the responses I am hearing—that we have apparently turned a blind eye to Fidel Castro's misdeeds in terms of drugs. You don't even know what happened to those four top officials who were indicted, and I don't know what has happened, but I think that is your job to know.

I heard it mentioned that Castro had executed some people in his own regime that were—or personally prosecuted some people in his own regime who were accused of dealing drugs. Well, it doesn't take someone who is an expert on what is going on in Cuba to know that Castro was executing a political rival and that that was nothing but a sham, and all of our friends from Cuba can testify to that, and for you to repeat that is very disheartening for me to hear.

All I am going to say—and my time is up—Castro is up to his elbows in white powder, and then he gets a greeting in New York as if he is some kind of a revolutionary hero. The American people need to know what this man is doing. He is not just a dictator but he hates the United States, and defectors have told us that he was involved, and I have read this, where defectors have said that they were in meetings with Fidel Castro and his hatred of the United States was so consuming him that he said, "We are going to destroy the United States with these drugs." And the fact that we haven't focused on Castro, right next door to us, is just beyond me,



and I expect those questions to be answered in writing if you can't do it in person.

Mr. GELBARD. Congressman, nobody said we are not focusing on them. To the degree that we can and do develop cases related to any country around the world, related to drug traffickers wherever—

Mr. ROHRABACHER. But you don't even know where Robert Vesco is. Robert Vesco is a notorious outlaw, a man who I have seen reports saying that he helped organize the business end of the drug cartel.

Mr. GELBARD. If I may finish.

Mr. ROHRABACHER. Yes, sir.

Mr. GELBARD. To the degree that the Drug Enforcement Administration, the FBI, Customs, and other law enforcement agencies are able to develop information that provides evidence that can produce indictments, our law enforcement community and our prosecutors are eager to do so, extremely eager to do so, and that is why they have been able to produce a significant number of indictments so far.

We would be very happy, and continue to be very happy, to try to find this kind of information. If you know of individuals who have evidence regarding any further cases regarding Cuba or any other countries, I am sure that my colleagues would be very interested in seeing how we could pursue these cases.

Mr. ROHRABACHER. Mr. Chairman, thank you.

Mr. GELBARD. I have had personal contact with the DEA in Miami, with the U.S. Attorney's Office, and they are constantly on the lookout for this.

Mr. ROHRABACHER. I thank you very much for indulging me, Mr. Chairman.

I will just end by saying for one to analyze—I mean, it doesn't take a genius and it doesn't take an unknown source of information to understand that when Castro had that show trial and murdered his rival down there in the name of drug peddling, that that was just a show, and I am dismayed that you used that as an example to say that Castro might have done something to rein in the drug effort.

Mr. CHABOT. The gentleman's time has expired.

Mr. ROHRABACHER. I am sorry. Thank you, Mr. Chairman.

Mr. CHABOT. We thank the gentleman for his questions.

It is my understanding that the senior member here would like to conclude with a brief statement.

Mr. RANGEL. Yes. I certainly want to thank all of you for the job that you are doing. We in the Congress have a great concern that there doesn't seem to be an overall national commitment.

Mr. Weise, it was my understanding that the Cuban Border Patrol was working very closely with the Coast Guard. Has that changed at all?

Mr. WEISE. The U.S. Border Patrol working with the Coast Guard?

Mr. RANGEL. Yes.

Mr. WEISE. We all are trying to work very closely together.

Mr. RANGEL. I understand, Mr. Gelbard, you are going to get that information we need about Castro dealing in whatever he is

dealing with and bring that to the committee. But as of now, is it my understanding that you have no evidence at all that the Government of Cuba is involved in drugs?

Mr. GELBARD. I am not from a law enforcement agency, and I really couldn't comment on that.

Mr. RANGEL. That is a good answer.

Mr. Constantine.

Mr. CONSTANTINE. Congressman, I have to tell you, in looking at the cases as we develop them, I can assure you we don't develop them with shrinking from any target, no matter what their political faith or what their position in any government. I think that has been witnessed by the pictures of these figures over there and what has continued.

If there was very confidential information, I could not share that with you, but as far as the Government of Cuba and Castro himself being involved in the major investigations that we are conducting now, we are pretty much on top of all of the main players in the cocaine distribution system. Neither he nor any of his assistants have surfaced at this point in time.

But I have to add, you are talking about a closed society, so the ability to investigate within that society is seriously limited.

Mr. RANGEL. It is pretty important that we get that information before the election, if you can understand. So whatever you can dig up would be helpful to us.

[The information had not been received at the time of printing.]

Chairman GILMAN. I regret I was called to the floor and had another conference I had to take care of, but I would like to ask just one question. I know your time is limited and you have to go, Mr. Constantine.

What are you doing to ensure that the second tier of the Cali cartel or other trafficking operations in Mexico or elsewhere do not fill the void after the Cali cartel's collapse?

Mr. CONSTANTINE. Well, the first thing that we have seen is kind of a disassembling—

Chairman GILMAN. Before Mr. Weise goes, thank you very much for joining us today, Commissioner.

Mr. WEISE. Thank you.

Mr. CONSTANTINE [continuing]. A disassembling of the major groups. Pancho Herrera is still out there and he is a major figure in a distribution system and is also wanted both by the people of the United States and the people in Colombia.

We have identified what we believe to be the second tier. It is our hope that if significant criminal action is taken against those already arrested, and that no group in the future is ever allowed to get this powerful—and this was the most powerful organized crime syndicate probably in the history of the modern world—it will be easier for us to conduct investigations.

What we are seeing increasingly is the groups in Mexico that had been in many ways trained and provided sophisticated technology in much of the way they conduct the retail drug business by the groups from Colombia. They are a major threat, and to address that, because they operate on both sides of the border, the FBI and the DEA, the Justice Department, and a whole host of other agencies have targeted that whole southwest border trafficking as a

criminal investigation. We go after the principals on either side of the border. We see the groups from Mexico and trafficking along the Southwest border as probably the primary threat over the next 2 to 5 years.

Chairman GILMAN. Thank you.

To Secretary Gelbard: I know you touched on this issue, but can you explain the impact of recently improved language in the Appropriations Committee's conference report that might be interpreted as cutting off assistance to Guatemala's counternarcotics unit? What would be the impact on our antidrug efforts in that country with that kind of language?

Mr. GELBARD. I think, in one word, Mr. Chairman, it would be disaster. Denying support to their counternarcotics force would have a devastating impact on our International Narcotics Control Strategy. It would open up a hole through which narcotics traffickers would rush.

Without our support, right now, Guatemala would once again become a lucrative and very important transshipment point for drugs to the United States.

We strongly support the principle of compelling the Guatemalan military to show progress on human rights, but depriving the Police Antinarcotics Department of our support will only hurt us. It would have little impact on our human rights objectives, and we have found that the DOAN, the counternarcotics unit, has no connection to any allegations of human rights abuse. It is independent of Guatemalan military control, and applying pressure to the DOAN wouldn't compel the military to make progress on human rights.

We had very good progress on opium poppy cultivation. They have eradicated starting at 1,930 hectares—they now have under 200 hectares of opium poppy left—were cultivated 5 years ago.

Prior to interdiction efforts staffed by the DOAN, small drug smuggling aircraft were routinely using Guatemala's hundreds of uncontrolled airstrips to transship half-ton loads of cocaine to Mexico on its way to the United States. Today our assistance has helped them to maintain a level of vigilance that has forced them to virtually abandon Guatemalan air space.

So we think the kind of language which exists there now could very well create major problems for our own people.

Chairman GILMAN. We thank you for your response. It will be quite helpful for future consideration.

Well, I want to thank Superintendent—former Superintendent Constantine, now Director, and Secretary Gelbard for taking the time to be with us and for your very cogent points that you have brought over today. We wish you well in your future endeavors. Thank you.

The hearing stands adjourned.

[Whereupon, at 1:15 p.m., the committee was adjourned.]





# APPENDIX

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Opening Statement of Chairman Benjamin A. Gilman  
Hearing on International Narcotics Control  
Tuesday, October 31, 1995

Today's hearing is on the international struggle against drugs. Our Subcommittees on Asia, Western Hemisphere, and Africa have, at my request, held hearings on regional issues regarding certification of the major drug producing or transit nations. I am very grateful to the Subcommittee Chairman and members who helped with those important regional proceedings.

Today, we examine the broader picture of our overall international strategy in preventing drugs from reaching our shores. For once here, they infect our inner-cities and schools, and add billions to societal costs in crime, incarceration, health care, and lost worker productivity.

Vice President Gore recently put the annual costs to the U.S. associated with illicit drug use at a very conservative \$67 billion. I believe the costs are much higher. Whatever the costs may be, the destruction these drugs do to families and our young people require our best efforts to prevent their spread.

Today, we will hear from the director of the Office of National Drug Control Policy and from our dedicated and courageous law enforcement agencies. Together we will examine our efforts overseas in the major producing and transit zone nations.

I was outraged at recent false allegations against the DEA in Colombia on the taking of innocent lives, when they are fighting to save lives. Not long ago in fact, in the mountains of Peru, five of our courageous DEA men and women gave their own lives in this deadly struggle.

A U.S. Customs officer was recently run down and killed by drug runners along the Southwest border. These and other daily sacrifices our law enforcement agents make fighting drugs are real. We appreciate everyone of them, and often do not fully comprehend the dangers they face.

Illicit drugs must become a major foreign policy consideration of our nation, or we will continue to incur these intolerable costs. We must re-examine our nation's remedies and options with those nations who refuse to fully cooperate with us to eliminate this deadly flow of destructive poisons into our nation.

No nation can tolerate these staggering costs and maintain the status quo on the diplomatic and commercial trade front. In fact, if included as part of our overall balance of trade, the costs of illicit drugs on our society dramatically shift the true picture of our overall trade imbalance with the major drug producing or transit nations.

The American people know what needs to be done. A recent survey of opinion on U.S. foreign policy by the Chicago Council on Foreign Relations indicated that 85 % of the public believes stopping the flow of illegal drugs to the United States is the number one issue. It tops even concern for protecting U.S. jobs.

Heroin use in particular has sharply increased over the past few years because of widespread availability, lower prices, higher purity, and other methods of consumption besides injection.

We are still awaiting the Administration's long overdue heroin strategy to address this worsening situation, particularly from Asia. In Latin America, the Cali cartel today faces its most serious challenge, to the Administration's credit, and especially that of the Colombian National Police, which has lost many courageous police officers.

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In Peru, due to that nation's successful air interdiction efforts, along with developments in Cali, the price of coca leaf has fallen from \$70 to \$7 per 25 lbs. On the streets of our cities, we see the reverse. Because of reduced production and trafficking, cocaine prices may be up as much as 20%, making it more difficult for our children to obtain this deadly poison.

We must take advantage of this new situation and ensure that the second tier of the Cali cartel is taken out, and that no new leadership in Colombia or elsewhere in the Americas is permitted to rise and take control of this deadly trade.

I was pleased to see the President's recent strong speech at the UN on the need for greater international cooperation in fighting the drug trade. At home, the President's initiative to use the national security authority under IEEPA to seize the Cali drug cartel's assets, along with his renewed efforts against money laundering, is much welcomed. It is also a clear recognition of the seriousness of the threat our nation faces from drugs.

We will hear at a subsequent hearing from many outside experts in the struggle, both here at home and abroad. We have had a successful record we can be proud of in fighting drugs, particularly when we simultaneously and aggressively engage this battle, both on the supply and demand sides.

If skeptics who say that nothing works would just take the time to talk to the experts, they would know better.

When we battled this scourge by reducing supply through eradication and interdiction, along with strong law enforcement measures, combined with working to reduce demand through education, treatment, and rehabilitation at home, the results were striking.

Judge Bonner, the DEA Administrator under President Bush, has pointed out that between 1985 and 1992, we had a reduction in cocaine users from 5.8 million to 1.3 million users, a nearly 80% reduction in monthly use. How many federal programs can point to that kind of success? As these impressive results clearly show, there are ways to deal with this problem, and today we will revisit them.

Before we begin, I ask if any of my colleagues on the Democratic side have an opening statement.



OPENING STATEMENT  
CONGRESSMAN DONALD M. PAYNE  
COMMITTEE ON INTERNATIONAL RELATIONS  
INTERNATIONAL NARCOTICS CONTROL

OCTOBER 31, 1995

Thank you Mr. Chairman. Because drug traffickers keep pace with increased seizures and worldwide demand, the globalization of illegal drugs has flooded the world markets. This year marks a significant turning point in the international narcotics control efforts. The United States, with the help of other countries, is committed to the eradication of cocaine, marijuana and heroin.

With the effort of the Administration, countries in the Caribbean, Latin America, Central America, Southeast Asia, and Southwest Asia are no longer finding it easy to cultivate illicit drugs.

Spillover has occurred in neighboring drug cartels of source countries. One example of this is in the Caribbean Basin, where traffickers are broadening their transshipment operation and expanding their levels of influence. These small regions are virtually no match for the high-tech traffickers.

Columbia, the source of 80% of the drug cartel, is being dismantled by the U.S.-Columbian efforts. In August of this year, Colombian authorities arrested Miguel Rodriguez Orejuela, the number 2 person in the Cali Cartel. Columbia has also taken into custody three of the top five leaders of the Cartel. Even with the incarceration of these officials, weak legislation, corruption and inefficiency in the Colombian government has hampered efforts to bring mid and high level narcotics traffickers to justice.

Overall cocaine seizures have remained interminable, successful joint US and Andean nation interdiction efforts, including Colombia, have backed up tons of cocaine in Peru. This year, Colombia has obliterated almost half of the country's coca crop, some 23,000 hectares. They have also been successful in the eliminating opium poppy crops.

Another punitive gateway for illicit drugs exported to the United States is Mexico. Mexican traffickers have become the number-one source of the chemical base ephedrine to supply covert methamphetamine laboratories. In 1994, opium and marijuana seizures increased. Because of the lack of judicial enforceability on chemical control, it has become extremely hard to hold the Mexican officials accountable.

The problem of narcotics are not just synonymous in the Western Hemisphere. Growing drug-planting and processing near China's borders posed a big threat, with the southwest province of Yunnan, which borders Burma, Lao and Vietnam, accounting for 50 percent of traffickers and 70 percent of drugs seized in China. Burma alone is responsible for 60 percent of heroin sold in the United States.

Between 1993 and June 1995, Yunnan authorities seized 29,191 Chinese and foreign traffickers as well as 18,597 tons of heroin and opium. Due to the 1995 nation wide anti-drug campaign, Yunnan captured at least 10 notorious foreign drug smugglers.

It is critical that if we are to win the "war" on drugs, we must go to the source. I advocate both strengthened interdiction, and eradication of both source and transit countries. We have a responsibility to the children of the United States to end the porous borders.

It is a vicious cycle. The traffickers of the world are allowed to sell their drugs by the gram, ounce or kilo on the streets of America. In addition to halting drugs at its root, we need to develop and implement a plan to reduce the supply of international narcotics.

Our strategies should include: a hard line border strengthening initiative. This initiative should focus on port runners and the associated violence. It should also encompass interdiction at the borders, economic pressure on source countries, and the destruction of drug crops.

Too often we wait until the problem has created a domestic crisis. Presently, the international narcotics control is in a state of dire crisis. The international heroin strategy should remain a top foreign policy priority. Also, increased heightened international awareness through multilateral organizations (Multilateral Development Banks, and International Financial Institutions) should focus on alternative development schemes.

The measures should also include change at the regional and subregional levels. The exchange of information with appropriate Burmese officials to support unilateral counternarcotics operations and increased influence on Burma's bordering neighbors, China and Thailand--to exert pressure on the Burmese government, must be implemented.

The penalties must be severe if we are to create transparency and visibility in the narcotics ring. To make these drug offenders visible and vulnerable to counternarcotics efforts, we need to stop international aid and loans. In return, we should provide assistance to those nations that show the political will to combat narcotics trafficking. Organizations that aid in the free flow of drugs, must be held accountable also.

Law enforcement activities can aid in reducing both the supply and demand of illicit drugs. U.S. borders and points of entry should hold violators accountable. We must arrest dealers, disrupt drug markets and reduce overall rates of use.

Law enforcement, however, should not be viewed as an end in themselves but rather as part the larger whole. Through drug education, and community based programs, along with cooperative country schemes, drug-producing and transmitting countries to prevent drug production, trafficking and related money laundering can be alleviated.

In conclusion, the international drug market poses a direct threat both to the United States and to the international efforts to promote democracy, terms of trade, human rights and a clear and effective rule of law. In order to make the United States safe for our children, we must halt the drug traffickers at the source. Everyone deserves to live in a clean environment free of drugs.

Thank You.



THE HONORABLE LEE P. BROWN  
DIRECTOR  
OFFICE OF NATIONAL DRUG CONTROL POLICY  
EXECUTIVE OFFICE OF THE PRESIDENT

TESTIMONY

BEFORE THE  
COMMITTEE ON INTERNATIONAL RELATIONS  
U.S. HOUSE OF REPRESENTATIVES

OCTOBER 31, 1995

I am pleased to testify before the Committee today, Mr. Chairman, and to have the opportunity to discuss current international counternarcotics issues, and the effectiveness of our law enforcement and intelligence efforts in other countries.

As you know, the drug problem in America continues to be very serious. It is national in scope, but its impact is often most clearly felt on the local level--in our cities and neighborhoods. The response to the problem must be international as well as domestic, because drug use and drug trafficking have become global in scope.

The overarching goal of the *National Drug Control Strategy* is to reduce both the casual and chronic use of illicit drugs and its consequences. The best way to reduce the problem is to reduce the number of chronic, hardcore users. Chronic, hardcore users account for nearly two-thirds of the cocaine consumed in the United States today, and they are responsible for much of the violence and crime associated with drug trafficking. The best way to reduce chronic drug use is to provide effective drug treatment in our communities, and in our jails and prisons. The objective is to break the cycle of drugs, crime, and violence.

It is imperative, however, to continue to attack the supply of drugs at their source, where traffickers are most vulnerable and our interdiction efforts are most cost effective, in transit, and on the street, where our costs are also highest. Aggressive enforcement and interdiction are critical to our efforts to reduce illicit drug use in the U.S.

The Administration's *Strategy* stresses both prevention and treatment efforts, while continuing aggressive enforcement, interdiction and international programs. This *Strategy* provides for smarter and tougher enforcement activities in U.S. ports of entry and borders, as evidenced by Operation Hardline, recently begun by U.S. Customs in San Ysidro, California. Domestic law enforcement efforts--which have been greatly expanded in recent years and now comprise the largest segment of our drug control budget--remain central to supply reduction efforts to keep the streets free of illicit drugs; and assist in achieving our demand reduction goals.

I have recently returned from the coca cultivation and cocaine processing and trafficking areas of South America, and would like to take this opportunity to report to you on the implementation of the President's *International Drug Control Strategy* in the source countries. I returned convinced that our international strategy is sound, and is causing significant damage to trafficker organizations.

Aerial eradication in Colombia has been very successful. In the first eight months of 1995, Colombia eradicated almost 23,000

hectares of coca and 2,000 hectares of poppy. This constitutes almost a 50 percent reduction in coca and a 50 percent reduction in poppy under cultivation in Colombia. President Samper has indicated that his goal is to completely eradicate coca production by the end of 1996.

Drug organizations have responded to our successes in the source region by moving cocaine production facilities to more remote and less preferable areas. Traffickers are capitalizing on the largely uncontrolled river systems in the Amazon Basin and increasingly using commercial traffic from Venezuela and Colombia. To avoid Peruvian and Colombian air interdiction, traffickers are shifting air routes to the east to capitalize on what has become a virtual sanctuary over vast expanses of the Amazon in Brazil.

Regionalization is at the core of our success in the Andean Region. Upon my return from South America, I asked the Department of Defense to develop a multilateral effort to increase the pressure against trafficker smuggling operations throughout the region. This multilateral surge effort is underway and I would be pleased to discuss it with you in a closed hearing. The role of the U.S. forces is to increase detection and monitoring, intelligence gathering, and support host nation interdiction operations. Our goal is to disrupt the flow of drugs to the U.S. and to enhance regional cooperation by enlisting greater cooperation from other countries of the region.

#### U.N. SPEECH

The President, in his speech before the United Nations last week, used this occasion to announce major new counternarcotics initiatives. First, using his authority under the International Economic Emergency Act (IEEPA), the President signed an executive order which blocks the assets of, and prohibits transactions with, four of the leaders of the Cali Cartel and a number of companies and individuals associated with them. This action will have a major impact and send a very strong signal that the U.S. government is serious about the drug problem.

At the same time, the President said that the Administration would consider imposing sanctions against nations that assist with money laundering to prevent them from doing business in the U.S. The President directed U.S. government agencies to identify and notify those countries that are most egregious in facilitating criminal money laundering that they should enter into bi-lateral or multi-lateral arrangements to conform with international standards. If an identified nation does not enter into such agreements, the President could invoke economic sanctions against those countries.

The President also called for the negotiation of an international declaration on Citizens' Security and Combating International



Organized Crime. Through this declaration, nations would join in a series of international commitments to deny sanctuary to international criminals and provide mutual assistance in investigations of international crimes.

The President's use of the International Emergency Economic Powers Act at this time shows great leadership and vision; as a result I am looking forward to strengthened momentum against international terrorism, criminal rings, narcotics and weapons.

**ACTION PLAN TO STRENGTHEN INTERDICTION AND INTERNATIONAL EFFORTS**  
U.S. drug control agencies have developed an aggressive, coordinated response to the cocaine, heroin, and marijuana threats facing this Nation. The Action Plan for Strengthening Interdiction and International Efforts encourages other nations to take a strong stand against illicit drugs.

In 1993, an interagency review of our international cocaine strategy resulted in a Presidential Decision Directive, which emphasized that the international cocaine industry is a serious national security threat requiring an extraordinary and coordinated response by all agencies involved in national security. Our resulting strategy is designed to: assist nations who have demonstrated the political will to combat narcotrafficking; increase international cooperation; interdict narcotics trafficking; and destroy narcotrafficking organizations.

There has been a controlled shift of emphasis among cocaine interdiction priorities from the traditional transit zones to source countries. With limited resources, it is more effective to attack drugs principally at the source of production. This is where our intelligence is best, and the traffickers most vulnerable, thereby allowing us and our allies to better target our interdiction resources. Moreover, the strategy recognizes that drug trafficking organizations have significantly shifted their preferred method of smuggling drugs by employing different tactics, methods, and geographic areas. For example, more than 70 percent of the cocaine entering the U.S. crosses the border with Mexico. Thus, we are focusing our efforts to interdict cocaine before it gets to Mexico. Evidence suggests that this strategy is working--parts of the cocaine air pipeline have recently been squeezed almost shut in Peru where the traffickers are scrambling to develop new routes and means to move their drugs to the U.S. and Europe.

#### **HALTING THE FLOW OF DRUGS TO THE UNITED STATES**

Interdiction of drugs in source countries, in transit, and at the U.S. border is a priority national security objective. Our efforts, along with those of our allies, are directed at disrupting drug smuggling operations by forcing traffickers to abandon activities and shift to more costly or ineffective

smuggling regimens.

Traffickers use a mix of air, land, and maritime approaches including high flying large aircraft, fast boats, semisubmersibles, and various commercial transports. Within and between Colombia, Bolivia, and Peru, the traffickers rely almost exclusively on general aviation aircraft and river craft to move cocaine base and finished cocaine.

Smuggling routes flow in all directions from source countries, but most of the cocaine destined for the U.S. moves to Mexico where it can be temporarily stored or moved directly across the U.S. border. Puerto Rico is a second gateway that is growing in importance to the traffickers.

Given the nature of the current flow and potential opportunities to interdict illicit drug shipments, we and our allies are focusing our primary efforts on:

- The Peru/Colombia "airbridge;"
- The Colombia/Mexico "airbridge;" and
- Puerto Rico and the nations of the Eastern Caribbean.

Our interdiction strategy is to:

- Continue to assist Bolivia, Colombia, Peru and Mexico to develop their "end game" interdiction capabilities;
- Improve the sharing of information and intelligence among our international partners;
- Foster greater regional cooperation;
- Enlist greater cooperation and interdiction support from the British, French, Dutch, and Canadians.

#### THE PERU/COLOMBIA "AIRBRIDGE"

Roughly 75 percent of the supply of cocaine base in Peru is currently moved to Colombia by air. The Peru/Colombia "airbridge" offers the U.S. and host nation partners a good opportunity to disrupt cocaine production and reduce the flow of drugs from the source countries.

Encouraged by our advice and counsel, and supported by our detection and monitoring resources, such as airborne and ground-based radars, Peruvian and Colombian counterdrug forces during the past six months have successfully disrupted the flow of cocaine along the "airbridge." Numerous smuggling aircraft flying illegally in Colombia and Peru have been seized or destroyed. Since March, there has been a steady decrease in the number of flights between the two countries. The traffickers apparently are having difficulty finding pilots who are willing to take the increased risk. This successful interdiction activity against the current "airbridge" is forcing the traffickers to move more cocaine by less efficient and slower riverine and overland routes.

The increased Peruvian and Colombian counternarcotics activity has led to a significant disruption in the supply and reduction in price of cocaine base. In some areas the price of base has dropped by as much as 50 percent. Over time, continued lower prices will make the cultivation of coca plants substantially less profitable. Traffickers are stockpiling cocaine base hoping that the current level of "airbridge" activity abates. Unless Peruvian traffickers can find alternate routes and methods to move their product, the current disruption in Peru's drug economy will become permanent.

#### THE COLOMBIA/MEXICO "AIRBRIDGE"

A significant portion of cocaine produced in Colombia moves to Mexico by air and sea for transshipment to the United States. To address this problem we have worked closely with Colombia and Mexico to disrupt these flights before they can be launched and once they have arrived in Mexico.

Since the beginning of the year, our allies have put together an operational plan to halt the flights of the large cargo, 727-type aircraft, used to transport cocaine from Colombia to Mexico. After a furious pace of deliveries last year, traffickers appear to have suspended these operations. The latest "large plane" flight probably occurred in March. The plane, a Caravelle, was tracked by U.S. and Mexico, which directed the Mexican Northern Border Response Force to a remote landing field in Mexico. Eventually, Mexican authorities were able to seize 2.8 tons of cocaine near the landing site.

#### THE EASTERN CARIBBEAN AND PUERTO RICO

To respond to the smuggling threat through Puerto Rico and the Eastern Caribbean, we have developed interdiction agreements with the Dominican Republic, Antigua, Barbados, Grenada, St. Kitts and Nevis, St. Lucia, and Dominica; fielded contraband detection technology on board ships in the Caribbean; and worked with the United Nations Drug Control Program (UNDCP) to develop broad international agreements on maritime counterdrug enforcement practices. Recent successes include seizure of 800 kilograms of cocaine airdropped off the Turks and Caicos Islands intended for delivery in Miami; and seizure of 1,140 lbs of marijuana on board a Colombian fishing boat near the Cayman Islands.

In order to better deal with the problem of cocaine transiting the Eastern Caribbean, last year I designated Puerto Rico and the U.S. Virgin Islands as a High Intensity Drug Trafficking Area (HIDTA). Through this HIDTA, Federal law enforcement agencies, including the Coast Guard and Customs, are working closely with law enforcement and National Guard officials in both Puerto Rico and the Virgin Islands to develop a more effective and better coordinated interdiction and drug law enforcement program.

#### RECENT LAW ENFORCEMENT SUCCESSES

In addition to successes in our interdiction efforts, the U.S. and its South American allies have made significant progress in attacking the major drug kingpins. Over the past few months, six major traffickers have been arrested and their organizations dismantled or severely disrupted. In January, 20 members of the Peruvian based Lopez-Paredes Organization were arrested following the seizure of about three tons of cocaine. The leaders of this group, all of whom were arrested, were in the process of shipping this cocaine directly to Mexico. A week later, two top Bolivian traffickers, Carlos Ali Bravo and Pedro Ramirez Correa, were arrested by Bolivian police.

In June, the top Peruvian supplier of cocaine HCL and base, Cachique Rivera, was arrested in Bogota. Cachique fled to Colombia in the wake of heavy Peruvian law enforcement pressure. His capture and extradition to Colombia were the result of close cooperation between the Peru and Colombia governments.

Also in June, Colombian National police arrested Gilberto Rodriguez Orejuela, one of the top Cali Cartel kingpins. This arrest was the result of extensive collaboration between the U.S. and Colombia and was preceded by numerous raids on kingpin properties and enterprises. The August 6 arrest of Miguel Rodriguez Orejuela, the last of the Orejuela brothers--and at the time the world's top cocaine kingpin--means that six of the top seven leaders of the Cali cartel have been arrested by the Colombian National Police with the help of the U.S. government.

#### MEASURES OF EFFECTIVENESS

Currently we are in the process of developing better methods to evaluate program efforts. The legislation which reauthorized ONDCP last year also establishes an important new step in our official review process by which each year's goals and objectives will be assessed. As part of the Crime Control Act of 1994, agencies and departments are required to develop Measures of Effectiveness to gauge results of their programs. I expect to be able to use the findings of this study to help evaluate our overall international drug control effort, particularly the impact of agency programs on meeting Strategy objectives. I also will use the study to recommend changes in next year's National Drug Control Strategy.

#### HEROIN

As I said when I testified before the Subcommittee on Asia and the Pacific in June, we have been experiencing an increase in the availability of heroin on our streets over the past year as indicated by lower prices and greater purity due to bumper crops coming out of Asia and increased production in South America. It is imperative that we respond aggressively to this increase in heroin use. Our failure to do so will lead to increased health care and criminal justice costs, as well as incalculable human



costs. Our strategy to address the heroin threat is targeted, comprehensive, and cost-effective to address the problems of trafficking, production and use, and to prevent the spread of this deadly drug throughout our nation.

As you may know, Mr. Chairman, worldwide opium production has more than doubled in the last decade. Poppy growing areas are expanding in Afghanistan and the new republics of the former Soviet Union. Heroin addict populations, particularly in Asia, are increasing. The cocaine cartels in Colombia are now shipping more heroin to the U.S. And in the U.S., higher purity heroin is being marketed in a smokable form, thus avoiding the stigma associated with the use of needles and the consequences of contracting HIV-AIDS through injection.

Today at least 11 countries produce a total of 3,400 metric tons of illicit opium for the international drug markets.

Our heroin strategy encompasses a focus on demand reduction, treatment of addicts, and prevention of new users. Our recommended international heroin strategy is a part of this broader program effort, and has four major goals:

- expanding and intensifying contacts with foreign leaders to mobilize greater international cooperation against the threat of heroin;
- dismantling the illicit heroin trafficking organizations by prosecuting their leaders and seizing profits and assets;
- treating heroin trafficking as a serious national security threat; and
- reducing the supply of heroin entering the U.S.

We seek to optimize our limited counternarcotics resources to carefully target those countries and regions that pose the most direct heroin threat to the domestic health and national security interests of the United States. Approximately 60 percent of the heroin sold in the U.S. comes from Southeast Asia, particularly Burma. Our primary heroin control priority within our international strategy will be to reduce this flow. We will continue to employ a range of activities to address U.S. counternarcotics concerns without undermining other vital U.S. objectives, including efforts to promote political reform and reconciliation and curb human rights violations. Fortunately, the Burmese regime released Aung San Suu Kyi on July 10, 1995, who had been held under house arrest since 1989. However, the language contained in the recently agreed to House/Senate Conference Report on Foreign Operations would restrict any assistance to Burma at this time.

The overwhelming proportion of our resources, programs and activities are directed toward reducing the supply and demand for cocaine in the United States, because cocaine remains the

principal drug threat to us. However, as the supply and purity level of heroin have risen, so has use. If left unchecked, these conditions can produce another drug use epidemic in the United States that will create more health problems, more drug related crime, and staggering social and economic costs.

#### BUDGET

The key to success is full support of the President's budget request for international and interdiction resources. Here, Congress has come up short.

As you know, despite your support for the President's request, Mr. Chairman, the House/Senate Conference cut the INL budget to \$115 million; and will once again raise questions among our allies about our resolve to deal seriously with the drug threat. In fact, Congress has cut the INL budget below the President's request since 1993. Congress provided only \$148 million of the President's request of \$173 million for FY 1993, \$100 million of the \$148 million request for FY 1994, and \$105 million of the \$228 million requested for FY 1995.

Despite these cuts, the U.S. has fielded a credible effort against the cocaine threat by increased cooperation with our allies, using pipe-line funds, fielding better technology and realigning our declining resources. As a result, total worldwide cocaine seizures have remained relatively constant, all but one Cali mafia leader is in jail, successful interdiction has backed up tons of cocaine in Peru, and Colombia so far this year has eradicated half of the country's coca crop, some 23,000 hectares.

The FY 96 budget for INL will not sustain this level of performance. The drug threat in Mexico is growing rapidly and the South American traffickers are investing in new routes and carriers to better protect their shipments. These developments warrant greater U.S. and allied responses or we will lose more ground to the traffickers. The INL budget is critical to meeting this challenge since it supports programs in every major strategy area: dismantling drug organizations, interdiction, institution building, and international diplomacy.

The cuts allow for little if any sustained alternative development, which will greatly concern our Andean allies. Without alternative development help, the political costs for eradicating coca fields is too high. It will be necessary to cut INL funds to support the development and improvement of "end games"--the capability of allies to take action on the intelligence and detection and monitoring information. This is a critical shortfall for which we are already paying a stiff price; helping our allies resolve this relies heavily on INL funding.

I cannot conclude without mentioning funds for ONDCP. Conference discussions indicate that the overall operational budget for

ONDCP will be cut by approximately one-fourth. This does not make any sense. Only last year, while reauthorizing ONDCP, Congress voted to strengthen this office.

Congress created this office in 1988 in order to bring focus and central coordination of Federal counterdrug efforts. My job is to develop the President's National Drug Control Strategy and Budget to provide coherence and planning to our nation's fight to reduce drug use. This involves coordinating the efforts of more than 50 Federal agencies and departments.

The fight against drug abuse must be a bi-partisan effort. This is too important an issue for our Nation and our Nation's children to allow ourselves to become caught in partisan rhetoric. I welcome your interest, and look forward to working with you to change the picture of drug use in America.



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF NATIONAL DRUG CONTROL POLICY  
Washington, D.C. 20503

## BIOGRAPHY OF LEE P. BROWN



Lee P. Brown is Director of the White House Office of National Drug Control Policy (ONDCP). He was confirmed by the U.S. Senate with a unanimous vote and was sworn-in to the cabinet-level post on June 21, 1993.

Prior to his confirmation as ONDCP Director, Dr. Brown was a Distinguished Professor at Texas Southern University and Director of the University's Black Male Initiative Program. He also served as New York City Police Commissioner from 1990 - 92, as Police Chief of Houston, Texas from 1982 - 90, and as Atlanta, Georgia's Public Safety Commissioner from 1978 - 82.

Dr. Brown began his distinguished career in law enforcement in 1960 as a patrolman in San Jose, California. After eight years in that capacity, he moved to Portland, Oregon and established the Department of Administration of Justice at Portland State University.

In 1972, he joined Howard University in Washington, D.C., becoming Associate Director of the Institute for Urban Affairs and Research. He held the academic rank of Professor of Public Administration and Director of Criminal Justice Programs.

Dr. Brown returned to Portland in 1975 to serve as Sheriff of Multnomah County. In 1976, he was appointed Director of Justice Services, a department comprised of all the county's criminal justice agencies.

Dr. Brown received a Doctorate in Criminology from the University of California at Berkeley in 1970; a Masters in Criminology from the University of California at Berkeley in 1968; a Masters in Sociology from the San Jose State University in 1964 and a Bachelors in Criminology from Fresno State University in 1961.

Dr. Brown is a past President of the International Association of Chiefs of Police and is involved in a number of professional and community organizations.

The recipient of a number of awards over the years, Dr. Brown was most recently inducted into the Gallup Hall of Fame by Gallup, Inc. in 1993. In 1992, he was awarded the Cartier Pasha award from Cartier International. In 1991, he was named Father of the Year by the National Father's Day Committee.

The author of many articles and papers on police management, community policing, crime and the criminal justice system, Dr. Brown is also co-author of the book Police and Society: An Environment for Collaboration and Confrontation.



**Statement of Thomas A. Constantine  
Administrator of the Drug Enforcement Administration  
The House International Affairs Committee  
October 31, 1995**

Mr. Chairman and Members of the Committee: I am very pleased to have the opportunity to discuss with you today the international narcotics situation. As you have heard from Dr. Brown and Ambassador Gelbard, we have some reasons to be encouraged by recent developments. The sobering reality is that we also have serious challenges ahead including the increasing significance of well-organized drug trafficking organizations from Mexico who are deeply involved in cocaine trafficking and methamphetamine production and trafficking, the emergence of a strong heroin trafficking business from South America and the increase in drug use among young people in the United States.

As a career law enforcement officer, with 35 years of police work behind me, I come to this committee with a somewhat different perspective from other witnesses who must view this problem from a foreign relations perspective or as an overall strategy that includes prevention and rehabilitation. As the Administrator of the Drug Enforcement Administration, my priority is to ensure that drug dealers and their violent drug organizations are investigated and apprehended.

During my career I have had many opportunities to see firsthand how drugs ravage communities and I have heard many times how residents—especially the elderly and the poor—have been prisoners in their own homes because they were afraid to walk to the corner store. As a result, I view the foremost objective of DEA to attempt to make our citizens safer and to improve the quality of life in the United States. After having returned from the annual conference of the International Chiefs of Police in Miami last week where 11,000 Police Chiefs from around the country gathered, I can tell you that there is no issue more important to law enforcement than ridding our communities of violent drug dealers.

As we are all aware, violent crime has changed the nature of America. A vast majority of the violent crime here is directly attributable to the drug trade, much of which is controlled outside of our borders. For the first time in our history, we need to look outward towards other countries to find the individuals who are ultimately responsible for the deaths and violence plaguing our communities. This fact alone immeasurably complicates our efforts to address the drug and crime problem in 1995.

The drug mafia indeed has a long reach. From the Cali mafia, to the traffickers from Mexico, to the drug gangs operating on our streets—each link in this chain has an impact on the quality of life in the United States. The Cali drug mafia has reached into the United States to murder journalists, businessmen and frequently, innocent people. This past summer, good police work led us to a group of assassins that the Cali mafia had sent to U.S. cities, including Memphis, to collect delinquent payments from drug traffickers operating within the United States. Other drug mafias have long reaches into our cities and, increasingly, rural areas—Asian heroin groups, traffickers from Africa, methamphetamine trafficking organizations from Mexico.

Mr. Chairman, you know from first-hand experience how the drug mafias conduct business in our own backyard. A few years ago, while I was Superintendent of the New York State Police, we discovered that the Santacruz-Londono organization had established cocaine laboratories in Sullivan County, New York. The realization that the Cali mafia could infiltrate our peaceful communities demonstrated to us that this group did not respect international boundaries, nor did they respect the quality of life so many Americans worked hard to enjoy.

You know, too, that violent drug trafficking groups have adversely affected smaller cities, such as Newburgh, New York. Congressmen Hamilton and Burton also know that their constituents and law enforcement officials are urging the federal government to provide additional resources to fight violent drug crime in places like Indianapolis and Gary. DEA has an obligation to provide relief to communities in this nation, while working side by side with our international partners overseas.

It is impossible for the Drug Enforcement Administration to separate drug trafficking into purely domestic and international categories. For us, the drug trade is a seamless continuum in which all aspects of the trade are interdependent upon each other. This became tragically obvious to us a week ago when Maryland State Trooper Edward Plank was gunned down after making a routine traffic stop on the Eastern Shore. The killers had nearly a pound of powdered and crack cocaine in their car. Although this tragedy happened in Maryland, if we trace the journey of these drugs, all roads would lead us back to Colombia where the cocaine originated.

With an intelligence apparatus which rivaled that of some nations, with a global system of sophisticated communications, and with a fleet of aircraft, boats and other vehicles at their disposal, and with a ready army of home-grown drug gangs in the United States, the Cali mafia was able to dominate the world cocaine market and was responsible for the drug violence which has eroded so many communities here.

The influence of the Cali mafia poisoned Colombia—as evidenced by the arrests of high level officials including the Minister of Defense. But their influence quickly spread to other countries. During the mid to late 1980's, the Cali mafia forged an alliance with polydrug traffickers from Mexico to ensure that cocaine was transported and distributed in the United States. The trafficking organizations from Mexico, already proficient in marijuana and heroin trafficking, were able to begin cocaine trafficking on a large scale. In the early stages of this partnership, the traffickers from Mexico were paid in cash for their services, but as the partnership solidified, the Cali mafia began providing traffickers from Mexico with cocaine loads of their own. Within the past several years, these organizations—the Gulf Cartel, the Juarez cartel and others operating under the umbrella of the "Mexican Federation" have become formidable traffickers in their own right.

The influence of the mafia was not limited to foreign countries. In an important case this past June, DEA and the Customs Service targeted the activities of the Cali mafia in the United States. As a result of this four-year investigation called "Operation Cornerstone" 78 individuals were indicted, including Miguel Rodriguez-Orejuela, Gilberto Rodriguez-Orejuela, Jose Santacruz-Londono and Helmer Herrera-Buitrago. Also indicted were six U.S. attorneys who provided legal counsel to the Cali mafia leaders in the United States. The case began with the seizure of a multiton shipment of cocaine which had been smuggled into the United States in fence posts. It is important for us to recognize that too many of our citizens—whether they are violent drug gangs who sell cocaine in Houston, or Boston, or Los Angeles, or whether they are high-priced attorneys advising mafia leaders—are collaborating with the most dangerous criminals in the world.

The arrest of the Cali leaders is indeed an historic step. I believe that these arrests would not have occurred if the Government of Colombia had been given full Presidential certification last March. In my opinion, the fact that our Government sent a clear and unequivocal message to the Colombian Government that arresting the drug lords needed to be their main priority provided the Colombian National Police with the moral support they needed to get the job done. Much credit goes to the CNP, especially General Serrano, who against great odds tracked down and arrested the Cali leaders who were believed to be "untouchable." And credit also goes to the Members of the U.S. Congress who supported the certification decision and spoke out about the situation in Colombia.

Last week, the President's announcement before the United Nations General Assembly regarding the dangers posed by international crime to the national security of the United States is a major step forward. Among the set of initiatives unveiled was a plan to go after the assets of the Cali drug mafia. I believe going after an organization's money and assets is one of the most effective ways to cripple their operations. I've seen it work time and time again against both traditional organized crime and the Cali mafia drug organizations.

We are also encouraged by some developments in the Andean region, notably the disruption of cocaine trafficking through the "airbridge" between Colombia and Peru and our belief that the flight of large cocaine-laden cargo planes into Mexico may have been halted. The use of these aircraft signaled to us that the Cali mafia had become more brazen in their ability to move multiton loads of cocaine to Mexico, and then return millions of dollars in cash back to Colombia.

Although there are numerous reports of significant increases in the street price of cocaine, we are not yet seeing any dramatic impact on the availability of cocaine in the United States. We believe that the effect of the arrests of the Cali leaders will have a positive effect in breaking up a drug mafia that had operated with impunity for so long. But much depends upon the future fate of the Cali leaders and whether they will receive and serve meaningful sentences, and who fills the void left by the Cali drug lords if they are put out of business.

**Tiger Trap:** Last November, ten top lieutenants in the largest heroin trafficking organization in the world were arrested and jailed in Thailand. These individuals were key members of the organization of Khun Sa, the notorious heroin warlord who leads an army of 20,000 in Burma, near the Thai border. They held top positions within the organization, including Kuo Fa-Mou, financial officer; Na Tsai-Kuei, broker and refinery manager; Chao Fu-Sheng, sales representative and precursor chemical specialist; Liu Feng-Te, Station Chief and sales representative; Chang Te-Tsai, Deputy Station Chief; Lo Te-Ming, Station Chief; Meechai Pathumane, logistics officer; Kao Chang-Ping, sales representative; Ho Ming-Te, refinery manager; and Chalee Yangwirikul, international sales representative. These traffickers still remain in jail, and they await extradition to the United States where they are under indictment in the Eastern District of New York.

These arrests are also extremely significant because, like the Cali mafia, Khun Sa's organization seemed to be impervious to law enforcement action. We believe that Khun Sa and other Southeast Asian trafficking armies are responsible for perhaps close to sixty percent of the heroin seized in the United States and his army has amassed greater power over the past decade.

The individuals arrested have been documented in DEA files for the past 20 years, and we have just now been able to move against them. This was due to the exceptionally high degree of cooperation that has developed between DEA and the Thai police. By defying the power of Khun Sa, the Thai police made the arrests at great personal risk.

It has been almost a year since the members of Khun Sa's organization were arrested, and the extradition requests for these individuals are still pending. The Thai government has stripped citizenship from these individuals since no Thai citizens can be extradited. We are hopeful that the Royal Thai Government will move quickly to ensure that these traffickers are brought before U.S. courts to stand trial.

The Government of Pakistan, early this year, extradited a major trafficker Iqbal Baig to the United States to face trial on heroin trafficking charges. Just last week he entered a guilty plea in the Eastern District of New York where he is being held.

The arrests of the major traffickers from Cali and the extradition of a major trafficker from Pakistan demonstrate clearly that no trafficker, regardless of his power and influence, is above the law.

**Challenges:** While we are encouraged by the historic arrests of some of the world's most significant drug traffickers, we are sobered by the enormity of the challenges that face us and our law enforcement partners around the world.

**Problems with judicial systems and law enforcement:** As we wait for the Government of Colombia to prosecute the Cali drug lords, we need to remember that no major drug trafficker in Colombia has been tried, sentenced and convicted and then served a jail sentence commensurate with the heinous crimes they have committed. We are deeply concerned about this fact and we hope that the Cali leaders will be held to the highest justice and pay for their crimes. Our concern is based on the enormous number of criminal acts and violence they have committed in the U.S. and in the rest of the world.

There are also major concerns about the fact that prominent and highly-skilled drug traffickers have not been arrested in Mexico. Like their counterparts from Colombia, major trafficking organizations such as the Juan Garcia-Abrego, Caro Quintero, Arellano-Felix, and Amado Carillo groups operate huge enterprises with sophisticated communications and transportation networks. It is very difficult for the current law enforcement and judicial infrastructure in Mexico to take meaningful action against these major criminals without significant improvements.

We are encouraged by the statements and actions of President Zedillo and Attorney General Lozano, who have made narcotics control one of their top priorities. However, at the current time, law enforcement organizations in Mexico do not have the benefit of many systems we take for granted in the United States, such as integrity assurance through careful candidate screening, selection and training.

It is difficult sometimes for us to understand the complexity of the law enforcement situation in Mexico, but we believe that in order for that Government to make significant strides against traffickers, major reforms in law enforcement need to be initiated.

Problems with judicial and law enforcement systems are not limited to those two countries; we face similar frustrations with Nigeria, Pakistan and some of the newly-independent countries in the former U.S.S.R.

The National Drug Law Enforcement Agency (NDLEA) in Nigeria is ill-equipped, poorly trained and lacks the infrastructure needed to be a successful law enforcement organization. DEA is working closely with that organization to help professionalize it and provide expertise to increase its effectiveness.

The Newly Independent States have been operating under antiquated laws that reflect the needs of former communist governments. Legal institutions operate in a rudimentary fashion and the criminal justice system in many of these countries lacks the resources to be effective. Government officials in NIS countries are sincerely attempting to transform their legal standards and systems to meet modern challenges.

**Heroin:** Several other developments in the worldwide drug trade are troubling. For the first time, DEA domestic heroin seizures reflect the fact that South American heroin represents about one-third of the seizures made in the United States during 1994. The potential involvement of organized and well-established trafficking groups from Colombia in the heroin trafficking business should be a major concern to U.S. policymakers. Opium production in Colombia has



increased significantly in the past several years, and savvy traffickers from Colombia are attempting to secure a share of the heroin market in the United States. Currently most of the South American heroin is available in East Coast cities. Prices are lower than ever and purity is higher, as high as 90 percent in some cities.

Opium production and heroin refining and trafficking continue in Burma, where U.S. access is limited. If we can establish a meaningful heroin control program in partnership with that government, we may be able to improve upon the limited impact on the heroin problem that we are now having.

**Methamphetamine:** A relatively recent, and increasingly urgent international narcotics trafficking problem is the production and trafficking of methamphetamine into the United States by the same well-organized and established traffickers from Mexico who have worked with the Cali mafia to distribute cocaine.

The trafficking syndicates have mastered the ability to obtain the necessary precursor chemicals for methamphetamine production and are able to manufacture that drug in Mexico or in labs in California. Methamphetamine is a dangerous, cheap and plentiful drug which causes violence and quick addiction in users. In many places—California, Washington state, Oregon, Florida, Arizona, Texas, and increasingly in Georgia, Kentucky and Tennessee—methamphetamine trafficking has caused significant health and law enforcement problems.

In just two years, from 1992 to 1994, deaths from methamphetamine have increased nationally by 145 percent. The bulk of these deaths are in four U.S. cities: Phoenix, Los Angeles, San Diego and San Francisco. In Phoenix alone, deaths have increased 510 percent—from 20 deaths in 1992 to 122 in 1994.

Because the U.S. tightened our regulations against the illicit use of chemicals for drug production, traffickers from Mexico have sought and obtained chemicals from India, the Czech Republic, and China. The same polydrug traffickers who flooded the U.S. with marijuana and heroin in the 1970's and 1980's, and cocaine in the 1990's, threaten to overwhelm us with methamphetamine now.

**The Coming Year:** We believe that the next year will be a critical time for drug mafias around the world to solidify their position, and for our government to make significant strides against the international drug trade.

We believe that the major drug gangs operating out of Mexico pose the largest threat currently. They have reached a level of sophistication which allows them to fill the void left by the Cali mafia leaders. Because of the way the Cali leaders ran their tightly controlled and highly structured business, it is unlikely that they have groomed a group of second-tier leaders who will control the business as the principal leaders have in the past. It is more likely that the Mexican gangs can circumvent the Colombian groups, obtain cocaine directly from groups closer to the source, increase production of methamphetamine, and possibly reinvigorate their heroin trafficking franchises.

Because we believe that the groups from Mexico pose a formidable threat, DEA and the FBI are working in tandem in the most comprehensive attack to date on drug trafficking along the Southwest Border. A true partnership has been forged among federal, state and local law enforcement to target drug trafficking on both sides of the border. Juan Garcia-Abrego is currently on the FBI's Ten Most Wanted List, and DEA is confident that he, and other members of the Mexican Federation will be brought to justice. Both the FBI and DEA are committed to Southwest Border Initiative as our top joint law enforcement priority during the coming years.

We are also aware of the possibility that almost overnight new trafficking threats can become painful realities. In conjunction with the FBI, we are working closely with the governments of many of the former Soviet bloc nations to address drug trafficking and other crime issues.

Because the world situation is changing so rapidly, DEA is identifying important future areas for cooperation and coordination. One of the most important areas of cooperation is training. DEA cooperates with the Department of State and the Interagency Working Group on Law Enforcement on training. We are also working closely with the FBI, Secret Service and other U.S. agencies on the implementation of law enforcement training in Eastern Europe. DEA is already a full participant training our Eastern European counterparts at the International Law Enforcement Academy in Budapest.

In 1995, DEA trained 2,300 officers through 50 training programs in 37 countries. Our 1996 training budget projects that we will be able to conduct between 48 and 55 training programs in 33 countries, reaching 2,500 officers.

In our Fiscal Year 1996 budget request, DEA and the FBI have asked for funding to open an office in Beijing, China. We will also be looking at the possibility of opening a DEA office in Moscow and South Africa. Closer to home, next month, DEA will open a new Division Office in San Juan to handle all Caribbean issues, as well as the Puerto Rico drug trafficking situation.

**Conclusion:** Mr. Chairman: The problem of international drug trafficking is extremely challenging for the United States and other nations to address. DEA stands ready to assist other nations as we meet the challenge together. Recognizing that our first obligation is to the American people, many of whom are victims of drug crimes which have international dimensions, we are working at home and overseas to identify, target and dismantle drug trafficking organizations. I would be happy to answer any questions the Committee might have.



THOMAS A. CONSTANTINE  
Administrator  
Drug Enforcement Administration

Thomas A. Constantine was appointed Administrator of the United States Drug Enforcement Administration (DEA) by President Bill Clinton on March 11, 1994. When selected by President Clinton to head the nation's lead agency in drug law enforcement, he had been serving as Superintendent of the New York State Police.

Mr. Constantine was the first Superintendent of the New York State Police in over 30 years to rise through the ranks, being appointed the tenth Superintendent by Governor Mario Cuomo in December 1986. As Superintendent, he oversaw a statewide law enforcement agency composed of nearly 4,800 uniformed and investigative members and civilian support personnel. During his tenure as Superintendent, the State Police was honored in 1992 as the first recipient of the Governor's Excelsior Award, an award of excellence of continuing quality of service to the people of New York State. In October 1994, Mr. Constantine received the Governor's Law Enforcement Executive of the Year award.

He began his law enforcement career in 1960 as a deputy with the Erie County Sheriff's Department. In 1962 he entered the New York State Police as a uniform trooper and served as a Narcotics and Major Crime Investigator, Sergeant, Lieutenant in Charge of Recruiting, Captain of the Statewide Organized Crime Task Force, Major, Troop Commander, Staff Inspector, and Assistant Deputy Superintendent.

In addition to receiving numerous awards for his contributions to his profession, Mr. Constantine was elected and served on the Board of Officers for the International Association of Chiefs of Police (IACP) from October 1992 to April 1994. He is currently serving as a member of the IACP Executive Committee and is Chairman of the IACP Narcotics and Dangerous Drugs Committee. In this capacity, he holds a policymaking position in an international organization of police executives dedicated to raising the level of professionalism of law enforcement worldwide.

Mr. Constantine was born on December 23, 1938 in Buffalo, New York. He holds a bachelor's degree from the State University College at Buffalo and a master's degree from the State University of New York at Albany, where he was selected as outstanding graduate student in 1986. He also has completed academic work in the Doctoral Program.

Mr. Constantine is married to the former Ruth Cryan and has six children and nine grandchildren.

STATEMENT OF ASSISTANT SECRETARY OF STATE  
FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS  
ROBERT S. GELBARD  
COMMITTEE ON INTERNATIONAL RELATIONS  
HOUSE OF REPRESENTATIVES

October 31, 1995

Mr. Chairman and Members of the Committee:

Thank you for this opportunity to update you on the Administration's policy and programs to combat international narcotics and the growing transnational crime problem. Few American leaders have worked as arduously over the years as Chairman Gilman to keep this important public policy topic in the forefront of our minds. We all firmly support efforts aimed at thwarting these devastating influences. So, we might ask, what is different now? Undeniably, our world has changed and so have the dangers that confront us. In the post-Cold War era, we recognize that international crime is a major threat to world stability and our own national security. More than ever before, the American people and American leaders are insisting upon practical measures to combat it.

Mr. Chairman, I have been associated with these difficult challenges in one capacity or another for over a decade and I have been directly responsible for them in the foreign policy arena for nearly two years. This experience has taught me that there are no easy solutions to these problems. It has also taught me that if we are going to invest American money, effort and prestige in fighting them, we have an obligation to produce concrete results. Over the past two years, we have made a heightened commitment to doing this, and we are succeeding. Simply put, we are making other countries shoulder more of their responsibility for fighting the global threats of narcotics trafficking and international organized crime. We are also ensuring that worldwide programs and policies target the most critical, the most significant, aspects of these threats.

Countries today are taking truly pragmatic steps to combat criminal elements that undermine the many positive gains we are witnessing around the world. Nowhere was this more evident than the 50th Anniversary proceedings of the United Nations in New York just 10 days ago. Many nations stood up and pledged fresh resolve to work together against transnational crime, which has devolved into our common enemy.



As he called upon nations to meet the growing dangers posed by international organized crime, the President announced a series of major U.S. initiatives against the criminal underworld. Taken as a whole, they are practical steps aimed at solidifying recent successes and strengthening the foundation of our international crime and drug control efforts. As the President put it, "In our global village, progress can spread quickly, but trouble can, too. Trouble on the far end of town soon becomes a plague on everyone's house...Nowhere is cooperation more vital than in fighting the increasingly interconnected groups that traffic in terror, organized crime and drug smuggling."

#### RESPONDING TO THE NARCOTICS THREAT

My bureau in the Department of State now includes responsibility for international law enforcement and crime initiatives, but I would like first to focus on our traditional overseas drug control programs where a large share of our funding is dedicated.

The President's National Drug Control Strategy represents a flexible and integrated response. It involves demand reduction and drug awareness at home, law enforcement and interdiction at home and abroad, and a variety of law enforcement, diplomatic and alternative development initiatives designed to get other countries to take more aggressive actions on their own. In relative terms, the funding we have for overseas programs, aimed at attacking cocaine and heroin, is very limited. Our counternarcotics budget in FY 95 was less than one percent of the Federal Government's overall anti-drug spending that year. This means that every penny counts. It means that the pressures and incentives we apply must be carefully orchestrated to achieve maximum effect. It also means we must work to convince countries that confronting the threat ultimately serves their own national interest. The key elements of our overseas strategy seek to:

- Reduce coca cultivation in the Andes, with the ultimate aim of eliminating coca and dismantling the global trafficking networks based in Colombia and elsewhere.
- Disrupt the transshipment of drugs, especially through Mexico, Brazil, Central America and the Caribbean.
- Work through international organizations and with our European and Asian allies, and other key countries, to prevent criminals from laundering trafficking proceeds through legitimate or sophisticated underground financial systems.

- Disrupt cultivation and trafficking of opium poppy in Southeast and Southwest Asia, to the extent possible, given the difficult political and security situations such as in Burma, Afghanistan or Iran.
- Stop the spread and eventually roll back the global trafficking networks that got their start in Nigeria and now have spread their tentacles throughout Africa and beyond.

With regard to cocaine, the centerpiece of our program lies in the source countries that grow coca and the international organizations that control most cocaine processing and worldwide distribution. The crops and organizations are daunting targets, but the price that countries pay for not confronting them is high. Drug money and corruption and violence destroy democratic institutions and their leaders. The drug economy undermines economic stability in developing nations and drug use sickens and kills their people.

The focus of our coca crop reduction and trafficking efforts is in Peru, Bolivia and Colombia, where virtually all the cocaine manufacturing and global export has its source. In the Andes as well as the transit zone, we are supporting law enforcement operations aimed at seizing drugs and evidence, thwarting money laundering and disrupting transportation elements of Colombia-based and other major syndicates. Central to the effort, we believe, is helping to strengthen the institutional base for effective law enforcement in these countries by helping them enact good drug control laws and by strengthening their police and judicial capabilities. We provide training, technical and materiel assistance to countries that demonstrate they are serious about narcotics control. And to continue receiving our help, they are expected to achieve results.

#### KEEPING UP THE MOMENTUM

Our diplomatic efforts and programs are producing significant achievements on all supply reduction fronts: crop control, interdiction, and criminal investigations. These are gains against core targets, and -- if supported and sustained with resources and commitment -- they will produce lasting progress. Let me highlight a few gains.

One of the most outstanding accomplishments of the past year has been a two-pronged attack on air smuggling operations from South America to the United States. It begins with the disruption of drug smuggling flights between Peru and Colombia, known as the "airbridge," followed by the thwarting of jet cargo flights delivering multi-tons of cocaine into Mexico from Colombia and elsewhere.

The "airbridge" was once a simple, cheap, and unfettered smuggling operation in which traffickers flew raw coca materials from central Peru to cocaine processing labs throughout Colombia. We took a series of steps to help security forces in both countries -- including the development of and support for policies consistent with international law, to force down drug smuggling aircraft. And now this critical route has been cut. Deterred by the pressure, traffickers are increasingly reluctant to close deals. Those who do are now forced to find alternate, longer, more expensive, and less certain routes through Brazil and elsewhere. The adverse consequences to the trade are evident: coca prices at the farmgate in Peru are falling, operating costs in Colombia are increasing -- profits at both ends are being squeezed. In Peru, we are working to translate lower coca prices into intensified crop control efforts.

We also are countering traffickers' efforts to smuggle multi-ton loads of cocaine to the United States from Colombia via Boeing 727-type jet cargo aircraft -- a tactic adopted by traffickers to evade interdiction, cut costs, and recoup losses. We became aware in mid-1994 that key Cali-based traffickers were successfully sending five to ten tons of cocaine at a time to Mexico -- so-called "carga" flights -- en route to the U.S., via Colombia's international airports. In response to this threat, we immediately joined forces with Colombia and Mexico to develop intelligence collection and interdiction strategies designed to deny traffickers this profitable transshipment alternative. We beefed up our detection and monitoring assets, Colombia took greater control of its commercial airstrips, pulled operating licenses of suspect air cargo companies, and seized and grounded a large number of aircraft, while Mexico enhanced its response forces. This unprecedented multilateral response shut down the Cali-directed "carga" flights, and significantly upped the stakes for other traffickers tempted to invest in multi-ton cargo flights of cocaine.

In other developments:

- Colombian law enforcement authorities are apprehending the world's most wanted criminals -- the Cali Cartel kingpins -- and preparing to prosecute them.
- Eradication operations in Colombia, Venezuela and Bolivia are destroying thousands of hectares of coca and opium poppies.
- Thailand has arrested ten key international heroin traffickers and is processing U.S. requests for their extradition.

None of these efforts, however, has yet broken the back of the trade. Indeed, worldwide drug use remains so large and the profits so great, that the traffickers' response is to find alternate routes and methods rather than quit. And as the pressure mounts, I am certain they will also fight it with intensified efforts to corrupt or intimidate senior counternarcotics officials abroad. It is therefore imperative that we keep up the pressure and sustain the momentum to consolidate our gains and confront the new and continuing challenges we face.

#### U.S. NARCOTICS CERTIFICATION

The Foreign Assistance Act requires that each year the President identify the major drug-producing and drug transit countries and determine whether they have fully cooperated with the U.S. or taken adequate steps on their own in narcotics control. The U.S. must cut off most foreign assistance to those countries that are not certified and vote against their request for loans from six multilateral development banks. For countries found not to be fully cooperating or taking adequate steps on their own, the President may grant a national interest certification if the vital interests of the U.S. require continued provision of foreign assistance.

In the last two years, we have used certification as one of the most powerful and cost-effective tools in our counternarcotics arsenal. This year, the President expanded the majors list to 29 countries, denied certification to five countries, and granted national interest certifications to six others. There were no "rubber stamp" approvals. Indeed, our frank appraisals meant denial of full certification for some countries with which we have enjoyed strong bilateral relationships. We are gearing up now for the next certification cycle, a process that involves possible modifications to the majors list and fresh assessments. Let there be no mistake: countries care about where they stand and their concrete performance -- in the Andes as well as Asia and elsewhere -- may be substantially linked to narcotics certification.

The President's national interest certification in 1995 shocked Colombia and a campaign launched by the police soon thereafter rounded up and put into pretrial detention many the major Cali Cartel players. Six of Colombia's major dealers are in jail and there is continuing pressure to apprehend and arrest the "successor" generation. National interest certification of Bolivia sparked the government to eradicate more coca in three months than it had in the entire previous year.



Bolivia still has a long way to go to meet its self-imposed eradication goal of 5,400 hectares of coca by the end of the year, but its government understands that effective eradication efforts are a criterion for full certification. Failure to eradicate in Peru -- the world's largest producer of coca leaf -- also precluded a full certification resulting in a national interest certification for that country. While Peru has adopted a national drug strategy, we continue to press the Fujimori government to take concrete steps to reduce its coca crop.

Our certification message has also been clear to Mexico: programs to eradicate opium poppy and marijuana are well ahead of last year's pace. Moreover, at home and in Washington, President Zedillo has proclaimed his intention to thwart trafficking and make corrupt officials accountable. He is also moving to revamp security forces and expand the military's counternarcotics role. At the same time, we are concerned about increasingly sophisticated Mexican trafficking networks. We know that Colombian traffickers are operating in Mexico and Mexican traffickers are getting a greater share of the illicit drug trade destined for the U.S. More ominously, the September seizure by Peruvian police of more than four tons of cocaine from a Bolivian cargo plane destined for Mexico signaled a growing capability to bypass entirely the Colombian middlemen.

I can assure you that we will again use the certification process to persuade key drug-related countries to meet the most important counternarcotics goals. The pattern is clear: we will recognize and reward those countries that respond positively but we will not accept piecemeal, misdirected or last-minute efforts.

#### THE HEROIN CHALLENGE

Turning to heroin, while there have been some advances, I must candidly say that the U.S. today faces a worldwide heroin threat of unprecedented magnitude. Purity levels are up, production has more than doubled in the past decade, it is spreading and it is increasingly occurring beyond the effective reach of the U.S. of and central governments where it is produced. Moreover, trafficking networks are proliferating and new markets and sources have created an increasingly complex web of routes and organizations that span every continent. We are beginning to feel the repercussions in terms of greater domestic heroin addiction.

These are grim trends, but there are some areas of progress. Today, as opposed to the past, Thailand is -- in large part because of U.S. assistance -- a marginal heroin producer. And in Pakistan, although other factors warranted granting it only a national interest certification, illicit opium production

was down in 1994 to only 160 tons as compared to 800 tons in 1978. Eradication in Pakistan is directly attributable to the government's commitment, with U.S. funding, to reduce the poppy crop.

Our comprehensive review of the international heroin control policy has shown that a number of practical steps are available to us:

- We can implement effective programs if we have an opportunity and the resources to work with committed governments. Intensified law enforcement operations -- like last year's Operation Tiger Trap in Thailand, which identified, located and apprehended key members of a major trafficking network -- are an especially high priority.
- We must keep our efforts focussed on the most critical, and not the easiest, parts of the trade.
- We must be committed to a sustained effort -- fundamental progress requires time. In this regard, we underscore the importance of regional and multilateral cooperation, especially in such trouble spots as Afghanistan and Central Asia.

We know that the key today to opium control is Burma, the world's largest producer and contributor to a staggering 50 percent of the heroin that comes to American shores. We rightly suspended drug control assistance in 1988 following the Burmese military's brutal suppression of the pro-democracy movement. But as Burmese heroin continues to flow into the U.S., we must search for new ways to attack the problem. As we have said many times, we will not, under any circumstances, undercut our democracy and human rights goals in Burma in the face of the brutal SLORC -- the State Law and Order Restoration Council. But we believe a vigorous counter-narcotics policy is not incompatible with a democracy and human rights policy. In the long run, an accountable Burmese government that enjoys legitimacy in opium-growing areas will be more willing and able to crack down on the drug trade.

Our strategy has four elements:

- First, we want to continue our in-country training program for carefully vetted Burmese officials.
- Second, we want to continue our exchange of law enforcement information to support Burmese counternarcotics operations, especially against the dominant heroin trafficking organization, the Shan United Army, and its leader Khun Sa.

- Third, absent a major setback in human rights, we want to increase support for regional alternative development projects administered by the U.N. Drug Control Program (UNDCP) with the objective of reducing and preventing opium cultivation in ethnically-controlled areas of Burma. We believe such assistance serves a positive human rights goal; we would insist also that the U.N. condition assistance on the requirement that poppy cultivation be reduced in the project areas. -
- Finally, we will continue to encourage Burma's neighbors -- particularly China and Thailand -- to work closely with us to increase their pressure on the Burmese regime to intensify counternarcotics efforts.

#### THE CRIME INITIATIVE

In recent years, we have seen an evolution in the crime and narcotics field. In today's world, drug trafficking is not a discrete problem to be challenged in a vacuum. It is part of the overarching problem of transnational crime, which is not simply a law enforcement matter. As the President and others have stated so clearly, crime is a threat to our national security. Perforce, then, domestic policy, foreign policy and global policy are intertwined concerns.

The world has changed and our foreign policy thinking must change with it. There are fundamental issues that transcend bilateral relationships. Governments frequently regard the issues of narcotics and crime as internal -- not foreign policy issues. They resist external pressure as inappropriate intervention into internal affairs. Sometimes they do so out of sincerely held beliefs; sometimes they are corrupted. To respond through traditional means in the years ahead will not be sufficient. As the U.N. Secretary General put it, "globalization will generate an array of problems" and with them "transnational criminal activity will grow."

The Decision Directive on International Crime, which the President announced at the U.N. on October 22, outlines the Administration's policy framework for combatting this growing threat to our national security. Key to this framework are the Executive Order under the International Emergency Economic Powers Act (IEEPA) aimed at undermining major narcotics traffickers centered in Colombia and a money laundering initiative, which will go after the profits of these criminals. At the U.N., the President asked members to take similar measures in their own countries and work with us to develop effective bilateral and multilateral cooperation and mechanisms, including accession to a number of existing international agreements.

The Executive Order under IEEPA -- which focusses on the Cali Cartel -- blocks the assets of specified traffickers, their front companies and individuals acting on their behalf. Moreover, it prohibits U.S. persons from commercial and financial dealings with them. The companion initiative instructs the Secretaries of State, Treasury and the Attorney General to identify the nations which are most egregious in facilitating criminal money laundering and press them to enter into bilateral or multilateral arrangements to conform to international standards against money laundering. Such standards, in fact, have been established by the 28-member Financial Action Task Force.

On the legislative side, the President also instructed the Administration to prepare a comprehensive legislative package to enable law enforcement authorities to better investigate and prosecute international criminals. The Administration will also seek appropriate authorities for U.S. agencies to provide additional training and other assistance to friendly governments to help in their own efforts to combat international crime. Finally, the President called for the negotiation of an international Declaration on Citizens Security and Combatting International Organized Crime. This Declaration would also call on participants to focus on the nexus of issues related to crime and narcotics such as terrorism and the illegal trafficking of arms and deadly materials.

The President's crime initiative builds on programs already under way. In my bureau, we are involved in the coordination of international policy and foreign assistance aimed at helping other nations to combat the full range of international organized crimes that threaten the United States. We participate with the FBI, DEA, Justice, Customs, Coast Guard, DOD, Treasury and others in the coordination of policy on international crime. This process ensures that overseas law enforcement policy and programs complement each other and address the highest priority needs in recipient countries -- from modernizing old guard police forces to helping fledgling agencies deal with modern financial crimes. In the last year, the Administration has:

- Created the Budapest training academy with the FBI and other Justice and Treasury agencies which is now supporting rapid law enforcement reform in Central Europe and the former Soviet Union;
- Coordinated the National Crime Bureau initiative with U.S. Embassies to suppress the trade in millions of stolen American cars smuggled to Central America; and
- Invested in training and technical assistance programs of the Financial Action Task Force and the Secret Service to meet the threat posed to the international financial system by criminal groups.



CONCLUSION

Mr. Chairman, the President's public position on narcotics and crime is bold and his fresh initiatives are practical. His objectives are shared around the world and are now an integral part of our bilateral and multilateral relationships and endeavors. Transnational criminal elements that undermine our values, threaten our security and attack the fabric of our society are on the defensive. We and the international community will not tolerate business as usual.

As we go about our work, I want to reiterate our continuing appreciation for the support from this Committee and many others in the Congress who are wholeheartedly committed to confronting the international scourge of drugs and crime. Over the years, too, your help in ensuring that we get the money we need to get the job done has been essential. But also important -- especially in this era of tight budgets and diminishing resources -- is the unswerving moral support you have given us in the public arena as we work against these serious problems that directly affect the health and well being of all Americans.

We know that the vast majority of American people consider illegal drugs and crime to be top national and foreign policy priorities. For these Americans, the facts are obvious: crime degrades all that we hold dear. We must build now on the momentum we have achieved. In President Clinton's words, we must confront the forces that "jeopardize the global trend toward peace and freedom, undermine fragile new democracies, sap the strength from developing countries and threaten our efforts to build a safer, more prosperous world."



United States Department of State

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Robert S. Gelbard

Assistant Secretary of State  
for International Narcotics and Law Enforcement Affairs

Robert S. Gelbard was born in Brooklyn, New York in 1944. He graduated from Colby College in 1964 with an A.B. in history. He subsequently received a M.P.A. from Harvard University in economics in 1979. He also studied economics at the Massachusetts Institute of Technology.

After serving in the Peace Corps in Bolivia (1964-1966), he joined the Foreign Service in 1967. After a year in Washington, he was detailed to the Peace Corps as Associate Director in Manila, Republic of the Philippines, from 1968-1970. He then was assigned from 1970-1972 as Principal Officer at the United States Consulate in Porto Alegre, Brazil. Returning to the State Department, Ambassador Gelbard was a financial economist in the Office of Development Finance in the Bureau of Economic and Business Affairs from 1973-1975, focusing principally on Latin American development and debt issues. From 1976-1978, he was the officer responsible for the Organization for Economic Cooperation and Development (OECD) in the Bureau for European and Canadian Affairs, and also worked on overall European macroeconomic and European Community financial issues.

From 1978 to 1982, he was assigned as Deputy Treasury Representative and First Secretary at the United States Embassy in Paris, France, where he was involved in analysis of French macroeconomic performance, export credit financing programs, commercial aircraft export financing negotiations, various third country financial issues and served as U.S. representative to the Paris Club. Ambassador Gelbard was then reassigned to Washington as Deputy Director of the Office of Western European Affairs (1982-1984), where his responsibilities included relations with France, Italy, Spain and Portugal, base negotiations with Spain and Portugal and

establishing diplomatic relations with the Vatican. From 1984-1985 he was Director of the Office of Southern African Affairs, where he was responsible for U.S. relations and negotiating with ten nations, including South Africa, Angola, Mozambique, Zimbabwe and Namibia.

In 1985, Gelbard was named Deputy Assistant Secretary of State for South America, a position he held until 1988. He was responsible for U.S. relations with the nations of that continent, including involvement in the transition to and consolidation of democracy in many nations; trade and financial issues; political-military issues and management responsibilities for the Bureau of Inter-American Affairs. In 1988, he was named Ambassador to Bolivia, a post he held until 1991, where he was responsible for all aspects of U.S. relations in the second largest U.S. embassy in Latin America. Areas of priority included support for building democratic institutions, supporting Bolivian efforts for economic and social structural reform and management of major counternarcotics and economic assistance programs. Subsequently, Ambassador Gelbard became Principal Deputy Assistant Secretary of State for Inter-American Affairs (1991-1993). He was responsible for U.S. policy in Cuba and Haiti and was significantly involved in issues related to the El Salvador peace process. He was also President Bush's representative preparing for the 1992 San Antonio Summit.

Ambassador Gelbard has been a member of numerous United States Government delegations to the OECD, particularly the Economic Policy Committee and served on the U.S. delegation to the Conference on International Economic Cooperation (the North/South dialogue). He also was detailed part-time to the President's Council of Economic Advisors in 1978.

Ambassador Gelbard has received the Presidential Meritorious Award, the State Department's Superior Honor Award and the State Department's Meritorious Honor Award. He is also the recipient of the United States Coast Guard's Distinguished Public Service Award. The Bolivian Government awarded him the Condor of the Andes, Order of the Grand Cross, its highest decoration to a foreign citizen.

He has been Assistant Secretary of State for International Narcotics and Law Enforcement Affairs since November 1993.

**TESTIMONY OF**

**THE HONORABLE GEORGE WEISE  
COMMISSIONER**

**U.S. CUSTOMS SERVICE**

**BEFORE THE**

**COMMITTEE ON INTERNATIONAL RELATIONS**

**TUESDAY, OCTOBER 31, 1995**



Good morning, Mr. Chairman, and Members of the Subcommittee. Thank you for the opportunity to discuss the role of the United States Customs Service in drug interdiction.

### THE CUSTOMS NARCOTICS INTERDICTION STRATEGY

As you are aware, the mission of the Customs Service is to ensure that all goods entering and exiting the United States do so in accordance with all United States laws and regulations. It is from this mandate that Customs narcotics interdiction responsibility emanates.

Many years ago, as this nation began to recognize the harm that the narcotics trafficking industry was wreaking on our society, Customs began developing narcotics-specific strategies. While the goal of these strategies - to prevent the smuggling of drugs into the United States by creating an effective interdiction and investigative capability that disrupts and dismantles smuggling organizations - has changed little over the years, the methods that Customs employs to achieve this goal have changed.

Customs current narcotics strategy has eight main objectives:

- To develop and enhance the collection, analysis, and dissemination of actionable intelligence through increased cooperation among all agencies involved in narcotics enforcement.
- To reduce the permeability of the U.S. border through enhanced surveillance and interdiction efforts.
- To focus interdiction efforts to deny the smuggler access to the air space between the source and transit countries and the border of the United States.
- To develop the electronic information systems to more effectively target high-risk cargo, conveyances, and persons at the ports of entry while facilitating the free flow of legitimate travel and trade.
- To develop and implement more efficient, less intrusive technology and techniques to identify smuggled narcotics.
- To conduct a variety of independent and multi-agency investigative programs.
- To increase the level of voluntary compliance through outreach programs to the trade community and general public.
- To work with other nations to disrupt the worldwide smuggling of narcotics.

### OPERATION HARD LINE

Today, it is estimated that 70% of our nation's supply of cocaine enters via our border with Mexico. Accordingly, this region is the current focus of Customs narcotics strategy.

On February 25, 1995, Dr. Lee Brown, Director of the Office of National Drug Control Policy and I jointly announced a new way of doing business for the Customs Service along the Southwest border. The Customs initiative, Operation **Hard Line**, permanently relocates fifty (50) Customs special agents to the Southwest border to provide investigative support and provide an on-site response at the ports of entry. These moves represent the first stage of a Customs response that will eventually involve a total of over 150 Customs special agents being moved to the Southwest border. At the largest ports, Customs is forming cross-functional teams of agents, intelligence analysts, and inspectors to research commercial entities and identify high-risk targets.

To address the problems of border violence and narcotics port running, Customs is strengthening and tightening the ports of entry through facility improvements and the use of technology. Jersey barriers, fixed and pneumatic bollards, speed bumps, gates, stop-sticks, (controlled deflation of tires), aviation, and canine resources are all being used to identify and control suspect vehicles.

Each major cargo crossing along the border has received numerous other high-tech tools such as pallet x-rays, x-ray vans, fiber-optic scopes, density meters and laser range finders. Since 1990, \$11 million in High Intensity Drug Trafficking Area (HIDTA) funded initiatives have been allocated to support special operations (STOP, TRUNK, SOUTHBOUND, IMPERIAL VALLEY, etc.) and the purchase of equipment. In addition to the new cargo examination facilities, Customs is operating a truck x-ray located in the import lot at Otay Mesa, California. This is the first x-ray of its kind at any port in the United States. It allows us to examine whole tractors and trailers at one time. Funding has been received and another container x-ray system will be placed in El Paso, Texas. Through Operation **Hard Line**, Customs will be placing additional truck x-ray machines at cargo locations along the Southwest border.

As part of our campaign against port runners, our Special Agent In Charge in El Paso led an investigation called Operation *Road Runner*, with the participation of DEA and the El Paso Police Department. This investigation used a full arsenal of investigative techniques, including surveillance, undercover work, source and cooperating defendant debriefings, post seizure analysis, and a Title III wire tap. As a result of this work, it was learned that a smuggling organization based in Juarez, Mexico, was primarily using port runners as a means of transporting their narcotics into the United States. Drivers were recruited and paid \$7,000 per load of cocaine and \$5,500 per load of marijuana. To increase the chance of success, they used "spotters" to profile the primary vehicle lanes and watch for inspector rotations, blitzes, pre-primary roving, or anything out of the ordinary. Communication was maintained with the spotters through cellular phones, digital pagers, and two-way radios. It is believed

that this one organization was responsible for approximately 220 port running incidents and three shooting incidents. At present, a total of 26 members of this organization have been arrested, including the head of the organization. This operation has also resulted in the seizure of over 7,000 pounds of cocaine and over 2,500 pounds of marijuana. The dismantling of this organization has been one factor in significantly reducing the number of port runners in El Paso.

Customs has also implemented a system which provides for multiple enforcement screening elements to be conducted across the flow of traffic at passenger and cargo processing areas within our ports to increase narcotics seizures. During these operations, Customs Inspectors and Canine Teams form roving teams to conduct unannounced and unscheduled intensive examinations on arriving conveyances.

In order to improve intelligence collection, analysis, and dissemination related to Southwest border smuggling, Customs is expanding the development of core groups of intelligence production units modeled after the multi-discipline approach. Their sole purpose is to bridge information obstacles and compartmentalization, including foreign intelligence, and assist in interdiction and enforcement operations. The complete implementation of this concept will establish standardization in intelligence collection and targeting.

The **Gate to Gate Strategy** is the next stage of Operation Hard Line: a review of our systems and processes vulnerabilities in the commercial cargo importation process. It developed a four- phase course of action involving 23 recommendations with 55 specific taskings spanning a two-year period. The report was issued in August 1995 and the first phase of implementing the specific taskings began on October 1, 1995.

The **Gate to Gate Strategy** has four major recommendations I would like to share with you. First, we are pursuing a full implementation of the Land Border Carrier Initiative Program. The purpose of the program is to enlist the support of Land Border carriers to police their own warehouses and conveyances to deter drug smugglers from using land border commercial conveyances and their cargo to transport contraband. Second, we will restrict participation in the Line Release Program to importers who ship their cargo using signatories of the Land Border Carrier Initiative Program. Third, we are upgrading and collocating our Southwest border intelligence resources. The systems are currently in place to help conduct proper examinations; concern is targeting the ones with the highest risk. These intelligence units are a multi-disciplined, proactive group for the collection, exploitation, and dissemination of tactical and operational intelligence. And finally, we will implement a Security Badge Program using advanced technology to fully control access of persons who have a need to enter our cargo facilities.

Are we achieving success along the Southwest border with Operation **Hard Line**? It may be too soon for any sweeping conclusions to be made. However, looking at the statistics from the first months of the operation, I believe that we are showing some successes. On the Southwest border, the amount of narcotics seized from January through September of this year

versus the same period last year is up 15 percent for cocaine, 67 percent for heroin, and 13 percent for marijuana. The number of port runners was reduced 35 percent.

Customs is justifiably proud of **Hard Line**. The support we have received from every level of this administration is gratifying, especially the support from Secretary Rubin, Deputy Secretary Summers, and former Deputy Secretary Newman for their commitment to this program and help in carrying it forward as an important element in a balanced approach to the drug interdiction problem. Congressional funding has provided \$17.2 million in FY 1995 for Operation **Hard Line**. In addition, both the House and Senate appropriation bills proposed funding for Operation **Hard Line** in FY 1996. Operation **Hard Line** is a bold, innovative change in the way Customs operates: Customs developed Operation **Hard Line** using a new technique called problem-oriented policing. This new approach uses multi-disciplined, cross-functional teams to address the problems we face rather than the symptoms. In the case of drug smuggling, the problem solving team is looking for ways to stop and prevent smuggling. Although important, arrests and seizures will no longer be our sole measure of success, deterrence of smuggling will be another important measure. I believe that this will be successful in the long run.

The smuggler is currently attempting to exploit the Southwest border, in part, due to the successes of Customs prior counter-drug strategies and programs in other areas.

#### SMUGGLING VIA PRIVATE AIRCRAFT AND VESSELS

Eleven years ago, South Florida was becoming inundated with cocaine and the related violence associated with narcotic trafficking. An incident at a Dade County shopping center, where a horrifying shootout killed innocent civilians, focused the nation's attention upon the cocaine problem and the flood of cocaine entering through South Florida.

Narcotics-laden private aircraft were landing with great frequency at clandestine airstrips and deserted areas throughout South Florida. In response, the Customs Aviation Program was expanded in both size and sophistication to enhance our detection, pursuit and apprehension capabilities along the border and within the United States. Downward looking aerostat radar balloons were being deployed in the Caribbean to assist in the detection effort. A Treasury Enforcement Communication System - FAA interface was developed which provided field offices flight plan information and the results of intelligence checks within 30 seconds of receipt by the FAA. System modifications were made to support private aircraft enforcement that included an aircraft tracking system and new aircraft lookout procedures.

By 1982, the Customs Air Program was becoming increasingly effective against the air smuggler in South Florida. Consequently, the smuggler resorted to air dropping loads of cocaine to high speed boats and smaller, seeming innocuous vessels off the coast of South Florida. In order to react to this threat, a comprehensive Marine program was initiated. Marine modules were created utilizing a radar platform and two high-speed interceptor vessels and a tightening of reporting requirements for all vessels was developed and instituted.



Due to Customs interdiction successes in Florida's airways and coastal waterways, smugglers were forced to resort to other avenues. In the late 1980's, smugglers began flying the lengthy route from Colombia, over Mexico, and across the Southwest border to land at locations within the Southwestern United States. By this time, Customs had already expanded its Air Program to encompass the entire Southern U.S. border. The network of aerostats were deployed to the Southwest border to provide comprehensive radar coverage, while additional aircraft, specifically configured for the air interdiction mission, were acquired to enhance our ability to intercept and apprehend suspect aircraft. The expansion of the aerostat network along the Southwest Border, the creation of the C3I air interdiction coordination centers, and the enhancement of the Customs fleet of interdiction aircraft - to include the acquisition and deployment of Customs P-3 Airborne Early Warning and long range tracking aircraft - eventually resulted in restricting the smuggler access to the Southwest air bridge as well.

### SMUGGLING VIA CARGO AND COMMERCIAL CONVEYANCES

Having restricted access to U.S. airways, the smuggler had to identify and employ alternative, more costly, and more complex methods of transporting contraband into the United States via the ports of entry.

Every conceivable method of concealment was being used to facilitate the smuggling of narcotics in commercial cargo. Contraband Enforcement Teams, made up of inspectional personnel and canine teams, were formed as a dedicated resource to target and inspect high-risk cargo and conveyances. In Miami, 500 pound-plus shipments of cocaine were being discovered in shipments of cut flowers on an almost daily basis. Around the country, multi-ton cocaine loads were being found in shipments of frozen shrimp, frozen orange juice concentrate, textiles, and bags of coffee. No merchandise was immune from use by the Colombian cartels since they were disguising themselves as legitimate businesses. If the cocaine was not in the commodities being shipped, then the container itself was suspect. Containers were modified with false walls, ceilings and floors. By the late 1980s, approximately 7 million containers entered the United States, therefore Customs developed a container specific interdiction strategy.

This strategy, still in national use today, targets suspect shipments prior to arrival using advance manifest information from the carriers. Customs also began to work closely with DEA and with intelligence agencies to place more intelligence emphasis on the use of commercial shipments by narcotics traffickers. Personnel were dedicated to convert this intelligence into tactical targets in our Automated Commercial System. Customs also established Centralized Examination Stations or CESs to perform more intensive, less intrusive examinations of containerized cargo.

As Customs became successful in interdicting cocaine in cargo, smuggling organizations began using carriers themselves as the next means of transporting the contraband. Hundreds of pounds of cocaine were being detected hidden aboard commercial ocean going cargo

vessels and aircraft. Cocaine was being located in areas accessible to only company employees or their contract employees. Customs, as provided by law, began to seize in earnest cargo ships and various aircraft since they were repetitively used in the importation of narcotics into the United States. Customs then launched a campaign to form initiatives with sea carriers and the airline industry. These initiatives evolved into agreements in which the carriers agreed to undertake specific security measures to prevent and deter the use of their conveyances for the smuggling of narcotics and other contraband.

To address the ongoing threat, Customs increased the numbers and expanded the location of canine detector teams because of their effectiveness. These teams became an essential component of the newly formed Contraband Enforcement Teams. These teams were comprised of inspectors and canine enforcement officers dedicated to perform a thorough examination of persons, conveyances, and cargo determined to be high risk. In 1986, the first year of national operation, the Contraband Enforcement Teams were responsible for 30 percent of the heroin and 28 percent of the cocaine seized by Customs throughout the United States.

To assist the inspectional staff in their interdiction efforts, various types of high technology inspectional equipment were developed, acquired, and placed in high-risk ports of entry. For example, the world's first automatic currency reader for tracing drug money was developed and built by Customs. Customs built small parcel x-ray systems which were deployed nationwide. Mobile x-ray systems were delivered to over 40 locations for use in detecting contraband in both incoming/outgoing cargo and baggage.

#### **THE SHIFT TO THE SOUTHWEST BORDER**

In 1990, during the course of a Customs investigation, a tunnel was discovered in Arizona that ran from a house on the Mexican side of the border to a warehouse in the United States. A second investigation led to the detection of another tunnel in 1993 near Otay Mesa, California. In both cases, the tunnels were highly sophisticated in their design to simplify the movement of cocaine unto the United States. In August 1995, a third tunnel was discovered in Nogales, Arizona as a result of Customs enhanced enforcement efforts along the Southwest Border.

Next, the traffickers resorted to smuggling the narcotics between the ports of entry. This was successful until the Border Patrol began their operations between the ports with Hold the Line and Gatekeeper. The presence of Border Patrol officers, every several hundred feet or so in high traffic areas, forced the traffickers to abandon that course of action and look elsewhere. That "elsewhere" was directly through our ports of entry along the Southwest border.

The smugglers turned to breaking down the multi-ton shipments of narcotics and placing loads of between 500 to 700 pounds within trunks of cars. Intelligence gathered subsequent to the September, 1989 Sylmar, California, seizure of 21 tons of cocaine indicated the use of

this method. As we became more proficient in the detection of narcotics in vehicles and in cargo at the ports of entry, another development took place.

Smugglers, pressed to get their illegal narcotics into the country, turned to desperate means. This development, called "port running," became widespread in late 1994 and during the first quarter of 1995. Port running involves driving aggressively through the port of entry and avoiding capture by any means available. Port running has resulted in cars full of innocent civilians being rammed by smugglers anxious to escape no matter what the cost. In FY 1994, there were 827 instances of known port-running on the Southwest border. This escalation reached the point that in January and February of this year, Customs expected 2-3 instances a day. Even worse, shooting incidents began to average one incident per month and injuries to our border officers and civilians related to port running were increasing at an alarming rate. It was in response to this increased level of violence at the ports of entry along the Southwest border that Operation **Hard Line** was created and announced by Dr. Brown and me at San Ysidro, California in February 1995.

### MONEY LAUNDERING

In addition to our interdiction efforts at and between the ports of entry, Customs supports the National Drug Control Strategy to dismantle narcotic smuggling organizations by playing a major role in money laundering investigations. In the 1980's, South Florida was the major location for money laundering and the exportation of narcotic profits. Armed with provisions incorporated by the Anti-Drug Abuse Act of 1986, Customs used the authority to conduct complex, covert, money-laundering investigations. Customs aggressively launched a full-scale program to close down the avenues available to smugglers in exporting their ill-gotten gains. Through a variety of intelligence, interdiction, and investigative strategies, Customs prevented the illegal exportation of millions of dollars of hard currency a year out of South Florida. Customs found cash hidden in freezers, air conditioner parts, engine blocks, rolls of candy, and even teddy bears. A number of these seizures led to major investigations of illicit financial institutions both in our country and abroad. These operations seek to identify and target financial manipulative systems, criminal organizations, and professional money managers who launder illicit proceeds. During the last several years, Customs undercover money laundering projects alone were responsible for the seizure of over \$514 million in cash and real property. In addition to these dollar valued seizures, these projects were also directly responsible for the seizure of over 13 tons of cocaine and over 1300 arrests.

Customs initiated Operation CHOZA RICA, a multi-agency, HIDTA-funded investigation targeting money laundering violations of numerous *Casa De Cambios* or money exchanges that operate on both sides of the U.S.- Mexican border. The first stage of the investigation led to the return of a 63 count indictment issued by a Federal grand jury for both money laundering and currency reporting violations against a *Casa De Cambio* in McAllen, Texas. The second stage of the investigation in 1992, resulted in the issuance of a 25 count money laundering indictment. Cumulatively, the first two stages of investigation resulted in 23 indictments, 15 arrests, 15 convictions, and the seizure of currency and assets totalling about

\$50 million. The third stage of the operation resulted in an 18 count indictment against seven individuals who were responsible for laundering over \$30 million in drug proceeds for an organization based in Matamoros and Monterey, Mexico. This organization is believed to be responsible for the shipment of multi-ton quantities of cocaine into the United States. In total, the Customs Service has seized almost \$30 million of the organization's assets.

#### OPERATION CORNERSTONE

Perhaps one of the best examples of how the various elements of the Customs Service function as an integrated team - whose value is greater than the sum of its parts - is Operation Cornerstone. Operation *Cornerstone* was a joint operation with DEA and the U.S. attorney for the Southern District of Florida, and was one of the most important and wide-ranging investigations in Customs history. This comprehensive investigation began in 1991 when Customs inspectors, using the newly developed container targeting strategy, discovered 32,301 pounds of cocaine concealed within a shipment of concrete posts, then 14,461 pounds in a shipment of frozen broccoli and another 13,677 pounds buried within a shipment of coffee. The subsequent investigation conducted by our Office of Investigations, along with other Federal agencies such as DEA, determined that those seizures were related. At that point Customs special agents initiated a wide scale investigation, supported by Customs intelligence analysts, import specialists, pilots, air officers, and various other support personnel. The investigation resulted in the seizure of over a million dollars in outbound currency, and led to the just recently announced indictments of 59 individuals including three attorneys.

Operation *Cornerstone* represents an insider's look at the Cali Mafia's drug distribution network, money laundering system, and the organizational support for its members both here in the United States and Colombia. *Cornerstone* was one of Customs most comprehensive investigations into the operations of the Cali Mafia. It exposed the Cali Mafia's attempts to undermine the Colombian judicial system, their breeding of tyranny throughout their own country, and their attempts to export that tyranny. As a result of this investigation, we have uncovered far-reaching information regarding six major smuggling routes used by the Mafia to move hundreds of thousands of pounds of cocaine into the United States, since the early 1980's. The investigation also uncovered similar far-reaching information regarding the methods used by Cali Mafia funded attorneys in the United States. These attorneys assisted Cali Mafia associates and took questionable steps to prevent the prosecution of Cali Mafia members in Colombia and the United States. Currently, the Cali Mafia has been severely disrupted and is making attempts to reestablish their presence as the premier cocaine trafficking organization in Colombia.

Absent any one element of the Customs approach, *Cornerstone* would be something less than what it is today. Without Customs Inspectors and Canine Officers, the original seizure would never have occurred. Without the special agent investigators, Customs would have been left with only the seizure, leaving in place the individuals and financial infrastructure. Obviously, if left in place, these same individuals and their almost inexhaustible financial resources would have continued to attack this nation with their monstrous commodity.



## **SUPPORTING THE PRESIDENT'S INTERNATIONAL DRUG CONTROL STRATEGY**

Customs long ago realized that the protection of our nation's borders does not begin and end at an imaginary line drawn upon a ground, but extends to a commodity's point of origin. The philosophy of "thickening" the United States border is simple; the most sensitive point to control is the source.

In furtherance of its investigative efforts, Customs Special Agents work in foreign offices throughout the world to uncover schemes to illegally import goods into the United States. In the area of interdiction, Customs Aviation Program, in the late 1980's, adopted the "Defense-in-Depth" strategy in which Customs radar aircraft would patrol north of the South American continent to detect narco-trafficking aircraft departing Colombia in route to the United States.

Of course, combatting illegal activity beyond our traditional borders requires some level of will and cooperation on the part of the foreign governments. Under the leadership of President Clinton and Dr. Brown, this Administration has accomplished much in the area of developing this requisite will and cooperation with many key narcotic source and transit countries.

A critical element of the President's International Drug Control Strategy, which embraces the philosophy of attacking the narcotics problem at its source, is the Customs Aviation Program. In the South American source countries, Customs, in cooperation with the United States Southern Command, conducts detection and monitoring missions utilizing Customs P-3 AEW and P-3 "Slick" aircraft. Whether flying solo or paired together, these two aircraft account for some 45 percent of the U.S. government's airborne detection and monitoring effort in South America and last year fully tracked 80% of the narco-trafficking aircraft they acquired in the source zone.

Because of their extraordinary effectiveness, Customs P-3 aircraft have been praised by the former Commander in Chief of the United States Southern Command, General George Joulwan, as the "workhorses" in our fight against the narco-trafficker. We continue to enjoy similar support from the current Commander in Chief, General Barry McCaffrey. Customs P-3 "Slick" aircraft are currently undergoing modifications to incorporate sensor systems which should greatly enhance the type and quality of support that our P-3 aircraft provide to the President's international and domestic drug control initiatives.

This year, in cooperation with the Department of Defense, Customs is expanding its support to the President's international drug control strategy by dedicating 4 Citation II aircraft and five crews to support South American source country counter-drug initiatives. These aircraft, whose operating costs are being funded by the Department of Defense, are being used to augment current air interdiction efforts in the region as well as to train South American host nation forces in airborne intercept and tracking tactics.

In the transit zone, Customs maintains, at locations in Central America and Mexico, five

Citation II aircraft to assist in intercepting and tracking narco-trafficking aircraft departing South America. These aircraft in Mexico provide training to Mexican air officers in the tactics of airborne intercept and tracking. This Mexican training initiative, which is conducted under the aegis of the DEA Operation HALCON, began in 1991 and has been extraordinarily successful. Today, the Government of Mexico successfully acquires and assumes control over virtually every drug trafficking aircraft that U.S. interdiction forces track to their country.

Customs P-3 aircraft, which conduct regular detection and monitoring missions in the transit zone, have enjoyed similar success. Customs P-3 aircraft, which, in terms of quantity and cost, make up a relatively small percentage of the U.S. government's efforts in the region, last year contributed to some 40 percent of the cocaine seizures made in the transit zone. Customs aircraft have also been instrumental in achieving some of the recent successes against the jet cargo smuggler in the transit zone.

To further enhance foreign host nations' ability to counter the narcotics production and trafficking threat in their countries, Customs supports a variety of international training programs.

Customs has a well established international money laundering training program. During the course of week-long seminars, Customs instructs participants on the development and refinement of effective legislation to disrupt and dismantle money laundering activities. Participants in these seminars include executive level policy makers in the legislative, enforcement and banking community who are essential to the formulation of effective legislation and enforcement initiatives. Since Customs began these seminars two years ago, recipient countries have instituted pertinent legislation and/or reemphasized their efforts.

Other training that Customs offers to the international community include courses in Contraband Enforcement Team (CET) tactics, cargo selectivity, and intelligence analysis procedures.

#### **ENHANCING OUR CAPABILITIES**

So as to ensure that Customs remains on the forefront of supporting the National Drug Control Strategy, and will continue to realize successes such as Operation Cornerstone, Customs is in the process of implementing a variety of operational and technological enhancements.

We convened an expert group of Customs employees to review our narcotics interdiction vulnerability in commercial cargo and conveyances. Those systems that need to be improved or refined will be given priority attention. Since our employees are very aware of potential weaknesses in our systems, we are involving them in looking for solutions. A strategic plan to implement the recommendations has been finalized and includes short- and long-term solutions which we are aggressively implementing and tracking.

Later this year, we will place a prototype advanced targeting system at a major southern land border crossing. This system will be rule-based. Each commercial transaction will be compared against 300 rules developed by border inspectors in order to separate high risk shipments from legitimate ones.

The largest Customs elective training initiative in fiscal year 1995 was the training of over 240 southern border officers in cargo narcotic interdiction techniques. This training included inspection techniques, including behavioral analysis and proper utilization of high tech equipment. During fiscal year 1996, an additional 240 officers will complete this training.

Customs is actively promoting interagency cooperation. Collaboration between Federal, State, and local law enforcement agencies will bridge any gaps in enforcement along the Southwest border. A coordinated approach among Federal, State, and local entities will ensure that a full range of experience and expertise is applied efficiently across all levels of drug trafficking spectrum. Some multi-agency task force programs, such as the Organized Crime Drug Enforcement Task Forces (OCDETF) and HIDTA bring together Federal, State, and local law enforcement and prosecutorial officers with a commonality of purpose and direction. The Office of Investigations is continuing to aggressively participate and support multi-agency task forces along the Southwest border. This includes the recently implemented Department of Justice Southwest Border Project.

Customs has several automated and non-automated cargo processing initiatives in place to identify high-risk shipments. It is the concurrent implementation of all these systems which permits Customs to facilitate legitimate trade through our borders and enforce laws and regulations related to commercial trade violations and narcotic smuggling. Some of our automated programs include Cargo Selectivity within our Automated Commercial System (ACS), the Three-Tier Targeting System, and the Line Release Program.

In support of our automated commercial processing systems, Customs has implemented initiatives to target drivers, carriers, and conveyances.

Customs, for the past four years, incorporated a strategy of effectively employing specialized training in the conduct and management of smuggling investigations. The instruction emphasized expanding an investigation from the point of interdiction along the Southwest border to and through the transportation and delivery stages. This allows the identification, apprehension and conviction of mid-level and upper echelon managers of international smuggling organizations. To date, 365 Customs managers and agents, 160 Federal, State and local officers and 4 RCMP officers have attended the 17 two-week training sessions.

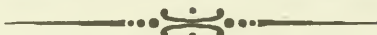
## **CONCLUSION**

In conclusion, the interdiction efforts and the strategy of the Customs Service are essential to the success of the national drug strategy. And, as I hope to have illustrated to you today, the Customs Service is playing an important role in attempting to close the avenues of opportunity to drug smugglers at our nation's borders.

I welcome any questions that you might have.



## George J. Weise Commissioner of the U.S. Customs Service



GEORGE J. WEISE, the first U.S. Customs Commissioner to be confirmed by the Senate, directs 19,000 employees responsible for the enforcement of over 500 laws and international agreements which protect the American public. Customs collects over \$20 billion annually in revenue from U.S. imports; protects our borders against the illegal importations of narcotics and other contraband as well as other hazardous products; enforces laws intended to prevent illegal trade practices and laws to prevent the export of high-technology products and weapons; and processes over 450 million persons entering the United States each year.

Challenged by budget constraints, Customs dramatically increasing workload, and the continual need to balance Customs law enforcement mission with facilitation of trade and travellers, Commissioner Weise began a full-scale campaign to streamline and modernize the agency immediately after his confirmation. After succeeding in obtaining passage of the Customs Modernization Act, Customs finally was granted the legislative authority needed to bring its operations into the 21st century. This Act allows Customs to update the automated commercial system used at ports of entry, create a sophisticated cargo targeting system, and facilitate the crucial exchange of information internally and between Customs and its numerous stakeholders—the trade community, other agencies, and U.S. citizens.

Commissioner Weise has also undertaken a major structural and cultural reorganization of the agency, emphasizing service to both internal and external customers, as a primary objective. Mr. Weise's efforts to streamline the organization coincide with the Government reinvention principles outlined in Vice President Gore's "National Performance Review," and Customs reorganization has been cited by the White House as a model for other agencies. Commissioner Weise's reorganization plan, titled, "People, Processes, and Partnerships," is Customs' foundation for reducing management layers, identifying core business processes and process improvement techniques, and building unprecedented partnerships with, among others, the National Treasury Employees Union.

Mr. Weise began his career as a Customs import specialist from 1972-75. After graduating from the University of Maryland School of Law, he served in the Office of Tariff Affairs at the International Trade Commission, and later joined the staff of the Subcommittee on Trade of the House Ways and Means Committee in 1984, serving as Staff Director of the Subcommittee from 1989-1993. He was directly involved in crafting all major Customs legislation proposed during his 9-year tenure on Capitol Hill, including the Customs Modernization Act. Mr. Weise also earned an M.B.A. degree in international business from the George Washington University of Government and Business Administration. He was appointed by the President and confirmed by the Senate as the new Commissioner of Customs on May 12, 1993.

George J. Weise enjoys all sports, particularly golf and tennis. He lives in Arlington, Virginia, with his wife, Therese, and daughters, Michelle and Melissa.



Law Enforcement

# Fighting Colombia's Drug War

The Colombian National Police depend on helicopters to stop drug production. But they need better equipment if the battle is to be won.

By David S. Harvey



Hundreds of packets of cocaine seized during one raid attest to the magnitude of the narcotics problem (above). A UH-1 and MD 500 unload police during a remote raid (right).

**I**

T IS A common perception outside their country that Colombian authorities are largely ineffective in combating the cultivation and distribution of narcotics.

But, to quote a U.S. advisor who knows them well, a small group of pilots and aircrew belonging to the Colombian National Police are "some of the bravest aviators I have known" in their daily—and deadly—battle against "narco terrorists" in remote regions of the country.

It's an escalating war that relies almost exclusively on a diminishing fleet of lightly armed helicopters for its success. Pitted against the police is an enemy that is not only tactically smart, but committed to their destruction.

But the resistance faced by police aviators in this latest round of the drug war can be seen another way. The enemy has been stung by the hit-and-run tactics this particular breed of jungle helicopter pilot is bringing to the battle.

News of the helicopter war raging in Colombia has been slow to filter out. For one thing, journalists are "discouraged" from providing coverage of actions against narco terrorists by death threats. For another, the activities of the

national police are relatively low on the Colombian government's pecking order of priorities.

But the recent funeral of a respected and popular police flight officer demanded attention. Maj. Jose Luis Ramirez Ceballos, was killed April 18 when his Bell 212 was shot down over southern Colombia during a mission to spray herbicide on coca fields.

During the funeral, Colombian officials mounted an appeal to visiting Lt. Gen. Charles Wilhelm of the U.S. Marine Corps for better armored helicopters from U.S. stocks. Wilhelm, commander of the Marines' Combat Development Command at Quantico, VA, had planned to accompany Ramirez on a tour of poppy and coca crops, the main ingredients of heroin and cocaine.

#### The front

Jack Smith, a former U.S. Navy commander with search-and-rescue experience in Vietnam, recently returned



home after serving nearly four years with the U.S. Embassy in Bogota as a helicopter advisor to the Colombian National Police. He gave *R&W* this account of the drug war.

"They're essentially fighting people whose livelihoods depend on drugs, and that makes them extremely dangerous," he says of the narco terrorists. "The situation is somewhat analogous to the one faced by [U.S. Army] pilots in Vietnam after the Vietcong had figured out what their helicopter vulnerabilities were."

The fleet used by the Air Service Wing of the Colombian National Police Anti-Narcotics Directorate even looks like a throwback to Vietnam. The unit started off with 10 surplus UH-1H

Hueys, later adding 10 more under an aid program put in place by the Bush Administration. There are also three McDonnell Douglas MD 500s and seven Bell 212s, four of which are recent arrivals.

Keeping the fleet up to scratch is a challenge. As of April, for instance, only 16 of the Hueys were said to be on flying status. The aircraft are constantly patched up to deal with hits from ground fire.

"The terrorists now have M60 7.62mm machine guns, a powerful machine gun when used against a helicopter," says Smith.

To counter this military-grade threat, the police strategy is to strike back as stealthily and quickly as possible.

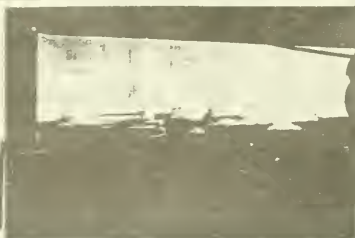
Although all operations are flown VFR, the helicopters will often arrive as close to dawn as possible when assaulting a target such as a cocaine-processing lab hidden deep beneath the jungle canopy. Raid planning is always secret; not even the participants know where they are going until the last minutes.

And police aviators are traditionally distrustful of the Colombian army. They consider the service to be compromised by the drug traffickers and not a reliable ally for clandestine operations.

The aviation unit makes use of turbine-powered DC-3s fitted with long-range fuel tanks to support logistics for helicopter fuel, oil, and lubricants in remote hill and jungle areas. The aircraft's engine conversion to Pratt & Whitney PT6 engines makes for a quieter and more efficient aircraft. Fuel is transferred to helicopters by forward area refueling equipment diesel pumps once used by the U.S. Army. The unit uses JP-4 fuel, important in a country where avgas is sparse.

A typical raid involves careful planning, as well as excellent intelligence. There is no shortage of the latter. The Colombian government pays good fees to informers, and many want out of the drug business anyway.

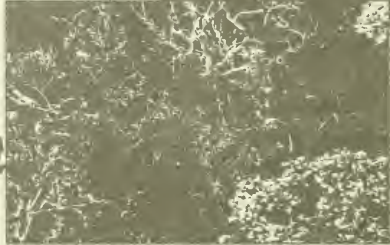
For many who work in the narcotics laboratories, the job is a one-way trip. A peasant may think he's getting paid well, but the downside is he can never leave because he knows the location of the site. People who do escape



A police gunner watches out a helicopter cabin as UH-1a fly over Colombia's forests enroute to a drug raid (above). Camouflaged by tropic vegetation, drug labs are difficult to spot (center). A jungle lab goes up in flames as police watch from a safe distance (below).

invariably turn to the police for protection.

The targets sought by the police consist mainly of the larger processing labs, the "heavy" end of the cocaine-production process designed to turn cocaine base into crystalline powder. But the units also fly against the network of clandestine airfields maintained



by the drug industry to fly cocaine base from Peru and Bolivia into the country and to take money out.

Starting in 1991, a new drug menace—the cultivation of poppies used in



the production of heroin—sprung up in the mountains of the Eastern Cordillera in southern Colombia, where the higher-altitude slopes are conducive to good crops. The emergence of the poppy fields reflects changes in drug preferences among users in North American and European markets. It is, experts say, the result of a four-to-five year investment by drug cartels in a new Colombian heroin infrastructure.

The police support large-scale eradication efforts with fixed-wing aircraft. The helicopters—primarily 212s—are used for precise targeting of herbicide close to populated areas.

However, the processing labs are much harder to find than poppies. Increasingly, GPS is helping out in a country where navigation aids are virtually nonexistent. Pilots who spot something suspicious can note it by punching a "store present position" button on the GFS unit and return to it later.

(Continued on next page)

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## Law Enforcement

Once a lab has been spotted, the helicopters will sometimes drop crewmembers, all police officers, to carve out a landing zone. That done, the helicopters swarm in for the kill, the emphasis being on speed and surprise. An ideal raid will bring in four Hueys to drop off about 30 police.



Barrels of cocaine powder are a commonly found stockpile during raids at jungle labs.

There may be an arrest, but it's rare. Alerted by the sound of the helicopters, most workers disappear into the jungle by the time the fire teams arrive. The police go about the job of destroying the labs, producing a geyser of flame reaching 500 feet into the sky as the chemicals inside ignite—a dramatic flash of color against the jungle background.

Leftist guerrillas of the Fuerza Armada de Revolucion de Colombia (FARC) insurgent group have been co-opted to provide security for the laboratories by the main drug cartels. They may operate the labs, too, but never the distribution or marketing of the finished product. The cartels always control these.

In December 1994, more than 200 guerrillas attacked a police base at Miraflores in an effort to stop a DC-3 flight from evacuating the base commander. Police pilot Lt. Diego Gonzales Quintero, in a heroic action widely recognized in Colombia, was killed as he tried to drive them off using his Huey fitted with an M79 grenade launcher.

"They have become savvy about helicopters and the way they work," Smith says of the guerrillas. "They know about tail rotors particularly, but they're also wise to the delicacies of flight controls, the position of fuel tanks, etc."

The damage statistics for the fleet reflect the increasing pressure. Three helicopters—two Hueys and a 212—have fallen to ground fire since January this year. Gunfire has raked the heli-

(Continued on page 38)



### An elite assignment

The Colombian National Police aviation service is comprised of about 500 people, with about 125 pilots.

Police pilots are either trained initially at the Aviation School of the Americas at Fort Rucker, AL, or return there regularly for proficiency training. Police "infantry" receive training at Fort Benning, GA.

Membership in the air wing is considered an elite assignment in Colombian police circles. Despite the well-

publicized risks to both individuals and their families, 50 candidates apply for each pilot position that opens up.

The police disperse their 15 flyable UH-1H Hueys, three MD 500s, and seven Bell 212s throughout Colombia.

Most of the bases are small one- or two-shop operations. In preparing for an antinarcotics raid, local commanders can decide whether to use their own assets or to bring in help from the main headquarters at Guaymaral, near

Bogota on 50 different occasions in the last two years, maintenance records show. Loss of life has been disturbing, and helicopters on operations almost always bring home wounded.

If they are captured by the enemy, police officers can expect little mercy. No prisoners are taken. Wounded are administered a *coup de grace* in the form of a shot in the back of the head. Recently, a three-man crew led by police pilot Jose Alfonso Acosta Suarez was shot down near Puerto Assis, in southwest Colombia. All died this way.

The Cali drug cartel reportedly is offering a bounty on any aircraft brought down by gunfire: \$200,000—a fortune in the eyes of the guerrillas.

In the past nine years, nearly 3,000 police personnel have been killed in the country's drug wars. In 1991, narco-terrorists set off more than 200 bombs in

Bogota alone. No section of Colombian society—judges, the business community, the press—is immune from the violence in this drug war.

Police activities throughout Colombia accounted for 80% of all narcotics "suppression" tallied in 1994, according to a government survey. Ninety percent of the 25 tons of processed cocaine captured in the country that year was the result of police work. So, too was the capture of 88% of the processing chemicals used to make cocaine; 80% of all heroin produced; the destruction of 90% of illegal runways; and the seizure of 97% of all aircraft.

In all of these operations, helicopters played a leading role. "They were used in about 92% of all actions," Smith says.

The threat for the helicopter units is that terrorists appear to have concluded—rightly so—that airborne police

Bogota. If they decide the latter, crews travel to isolated operating bases by turbo-charged DC-3s. The helicopters follow.

Pilots must be skilled aviators. Colombian weather can be deceptive and quickly changeable, and official weather reporting services are nonexistent. Charts are also a problem; they contain only rudimentary information. GPS, in turn, has been a major boon to airborne law-enforcement operations.

units form the linchpin of government operations against them. There is a danger that aviators will begin to lose morale as the losses increase. Some pilots were reported in May to have refused to fly eradication missions until the aircraft receive better protection.

"It's not happening yet, but there's no denying they're feeling the pressure," according to Smith.

Colombian police aviators have three primary equipment needs: helicopter armor, improved aircraft performance, and better firepower.

"What's happened in the last few years is that the view from Washington toward these needs has changed," Smith said. Where there used to be uncompromising support for counter-narcotics operations, it isn't there today. Instead, such requests are seen by policymakers in the U.S. State Department as inappropriately "military" in nature.

For example, 7.62mm miniguns for the helicopters already exist in the police inventory. However, the U.S. government has refused permission for a team of Army engineers to come from Corpus Christi, TX, to mount and calibrate them.

A police request for the Huey II, an upgraded version of the UH-1H featuring more powerful T53 engines and better avionics, has reportedly been held up by embassy officials in Bogota for more than a year. Sources say the appeal to Wilhelm at the Ramirez funeral was the result of these and other frustrations.

Whether Washington moves on these appeals or not, there is no doubt that these Colombian drug battles represent some of the most intense helicopter combat in the world today. The danger now, says Smith, is that progress against drug trafficking will end if the equipment isn't upgraded.

"They'll start to get less and less effective," he predicts. "And the bureaucrats will say that this proves they're not doing the job. That's what worries me, as it should worry anyone in the States or in Europe who's worried about the drug problem in the streets." ■

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Immediate ReleaseOctober 22, 1995

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THE WHITE HOUSE  
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For Immediate Release

October 22, 1995

FACT SHEET

US Initiatives Against International Organized Crime

In his speech to the 50th UN General Assembly, the President outlined 5 new steps that the United States is taking to address international organized crime.

1. No Trade With International Narcotics Traffickers centered in Colombia and their Front Companies:

The President announced that he had signed an Executive Order utilizing the authority of the International Emergency Economic Powers Act (IEEPA). The order finds that the activities of significant foreign narcotics traffickers centered in Colombia, including the so-called Cali cartel, constitute an unusual and extraordinary threat to the national security, foreign policy and economy of the United States. These traffickers are responsible for more than 80% of the cocaine entering the United States. Moreover, they destabilize regional economies and produce violence and corruption everywhere they operate. The President has ordered that the leaders, cohorts, and front companies of these traffickers be identified and their assets in the U.S. blocked. U.S. individuals and companies will then be barred from trading with those identified individuals and front companies. The President has also ordered that evidence be developed against other international criminal groups and their front companies so that further action may be taken as appropriate.

2. Money Laundering Centers:

The President announced that he has instructed the Secretaries of the Treasury and State and the Attorney General to identify and notify the nations which are most egregious in facilitating criminal money laundering that they should enter into bilateral or multilateral arrangements to conform to international standards. Such standards have been established by the 28 member Financial Action Task Force. If these nations do not enter into such agreements and implement laws against money laundering, the Secretary of the Treasury, after consulting with the Secretary of State and the Attorney General, will recommend to the President

whether economic sanctions should be applied. Among the sanctions available is the prohibition of electronic fund transfers and dollar clearing to financial institutions in the subject country. Secretary Rubin will be co-chairing a meeting of hemispheric Treasury/Finance ministers in Buenos Aires in December on the issue of money laundering.

### 3. International Declaration

The President called for the negotiation of an international Declaration on Citizens' Security and Combating International Organized Crime. In such a Declaration nations would join in a series of international commitments to deny sanctuary to terrorists, narcotics traffickers, and other international organized criminals and provide mutual assistance in investigations of such crimes. International agreements already exist in many of these areas and new arrangements should be forged where they do not.

### 4. Legislative Tools

The President has directed the Attorney General and the Secretaries of State and of the Treasury to develop a legislative package of new authorities which U.S. government agencies believe they need to better investigate and prosecute all aspects of international organized crime. The U.S. legislative proposal would also provide additional sanctions authority against those governments which cooperate with or provide sanctuary for international organized crime. This effort is the result of a comprehensive review ordered by the President last year.

### 5. International Assistance

The President directed that the new U.S. legislative package include authorization for providing increased U.S. training and assistance to friendly governments to help them in their efforts to combat international organized crime affecting their own and other countries around the globe.

### 6. Counterterrorism

The Administration has made counterterrorism one of its highest priorities. Since taking office, the Administration has:

- Arrested and brought back to US stand trial terrorists hiding in Nigeria, Pakistan, the Philippines, Jordan, and Egypt.
- Made swift arrests following both of the major terrorist incidents that have taken place in the U.S. (World Trade Center and Oklahoma City).

- Broken up two major attacks on the U.S. that were about to take place--before they could happen (New York: UN and Holland tunnel; Manila: US flag 747s).
- Exercised unilateral military action against a country whose intelligence service we found to have attempted to organize a terrorist act against a former President (Iraqi plot against President Bush).
- Extended economic sanctions to Iran and Sudan for their sponsorship of terrorism.
- Prevented the loosening of sanctions against Libya and Iraq, both states on the list of state sponsors of terrorism.
- Assisted other nations in their apprehension of major terrorist figures.
- Banned fund raising for Middle East terrorists in the United States.
- Increased personnel and other resources for counter-terrorism.
- Proposed an expansion of legal authorities for counter-terrorism.

# # #



THE WHITE HOUSE  
Office of the Press Secretary

For Immediate Release

October 22, 1995

## FACT SHEET

**U.S. FUNDING OF THE UN (& OTHER IOs)**  
**(In millions of dollars)**

	PEACEKEEPING	REGULAR <sup>1</sup>	TOTAL
FY96 Assessment	780	950	1,730
FY96 Request	445 <sup>2</sup>	923	1,368
FY96 Appropriation (H/S)	425-225	858-550	1,283-775
FY96 Shortfall	355-555	92-400	447-955
Accumulated Arrears	743	235	978
Cumulative Arrears			
End FY1996	1,098-1,298 <sup>3</sup>	327-635	1,425-1,933 <sup>4</sup>

<sup>1</sup> Includes UN Secretariat and Agencies, approximately 15% funds other IOs like NATO, OECD, and OAS.

<sup>2</sup> An additional \$65 million in DoD funds was requested.

<sup>3</sup> If UNPROFOR were to close by the end of 1995, the debt may be reduced by \$150-300m.

<sup>4</sup> With the U.S. peacekeeping assessment share reduced to 25%, the UN incurs a structural deficit of \$130m on October 1, increasing to about \$300m by the end of 1996.

Note In FY1996, an additional \$200 million shortfall will probably occur in the voluntary (IO&P) account, which funds U.S. participation in some UN and other multilateral agencies.

In the past 13 months, the United States has contributed over \$1.5 billion directly to the United Nations:

- Over \$570 million was paid for UN peacekeeping
- Over \$660 million was paid for other assessed UN activities
- Over \$290 million was paid as a voluntary contribution to UN activities

In the past two years, the United States has contributed well over \$2.5 billion in support of UN Security Council Resolutions

- In FY94, over \$1.5 billion was spent in support of UNSC resolutions
- In the first half of FY95, over \$1 billion was in support of UNSC resolutions

Over the last few years, the U.S. share of assessed payments received by the UN was one-third the UN's total receipts

- From 1992-94 the U.S. share of UN receipts of assessed payments was 33%
  - In 1992, the U.S. share was 37%
  - In 1993, the U.S. share was 30%
  - In 1994, the U.S. share was 33%

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THE WHITE HOUSE  
Office of the Press Secretary

For Immediate Release

October 22, 1995

## SUMMARY SHEET

Presidential Directive on International Organized Crime

The President today announced that the growing danger of international organized crime constitutes not only a law enforcement problem but also a national security threat to the United States. He authorized a series of U.S. initiatives to combat this danger to U.S. citizens and those of other nations around the world. The actions are designed to counter the growing nexus among terrorists, narcotics traffickers and other international criminals that has been fostered by developments in international communications, travel and information-sharing, and the end of the Cold War.

The President's actions recognize that international criminal enterprises now move vast sums of illicitly derived money through the world's financial systems, buy and sell narcotics and arms, and smuggle aliens, nuclear materials, and weapons of mass destruction. International criminals know no geographic boundaries and they cooperate across barriers of language and ethnic origin.

The ultimate purpose of the President's initiative is to protect the welfare, safety, and security of the U.S. and its citizens. Americans have long been the targets of violence and attacks on foreign soil. But one of the new dimensions of international crime is that increasingly the surrogates of those criminals who live in safehavens beyond our borders are carrying out killings and other violent acts on American soil. For these reasons, the President has announced that our government must view international crime as a continuum, from the criminal barons sheltered overseas to the violence and destruction they deliver to our streets.

To fight this scourge, the President has ordered the agencies of government to increase the priority and resources devoted to this effort; achieving increased effectiveness and synergy by improving coordination among agencies and across the types of international criminal activity; assisting and working more closely with other governments to create a global response to this threat; eliminating sanctuaries; and otherwise using

creatively and aggressively all of the legal means available to this government to combat international organized crime.

This Administration has already been active in addressing the components of this phenomenon. Previous Presidential initiatives have centered upon alien smuggling, international narcotics, terrorism, and nuclear materials safety and security. This initiative supplements those earlier actions and provides guidance for integrating this response to international organized crime.

To attack the danger of international organized crime the President has ordered five specific initiatives designed to deny the criminals their ability to launder their illicit profits, shut down so-called "legitimate" front companies financed and controlled by the world's largest drug cartel, enhance U.S. legislation to put the criminals in jail, increase training and assistance to the world's law enforcement agencies and promote greater international cooperation in the fight.

#### Money Laundering Initiative

The primary motivation of those engaged in international organized crime is financial gain. Much of the problem posed by their activity stems from the corrosive effect on markets and governments of their large illicit funds - blood money gained from their criminal acts.

While we must continue vigorously to disrupt the enterprises which produce these funds, we will now greatly increase our efforts in going after their money and other assets directly.

In support of the on-going multilateral efforts to bring all nations into conformity with international standards against money laundering, the President has ordered that the U.S. identify the most egregious overseas sanctuaries for illegally obtained proceeds. We will then enter into active negotiations with those nations to achieve conformity with international standards and end their safehaven status. If they fail to comply within a reasonable time, the President has authorized the Secretary of The Treasury, in consultation with the Secretary of State and the Attorney General, to consider applying unilateral sanctions against them and encouraging other states to do the same.

#### No Trade with Front Companies

The narcotics traffickers have increasingly begun to invest their ill-gotten gains into so-called "legitimate" front companies, where they multiply these assets and hope to gain respectability.



To address this problem, the President has signed an Executive Order under the International Emergency Economic Powers Act (IEEPA). The order finds that the activities of significant foreign narcotics traffickers centered in Colombia, including the so-called Cali cartel, constitute an unusual and extraordinary threat to the national security, foreign policy and economy of the United States. These traffickers are responsible for more than 80% of the cocaine entering the United States. Moreover, they destabilize regional economies and produce violence and corruption everywhere they operate.

The President has ordered that the leaders, cohorts, and front companies of these traffickers be identified. U.S. individuals and companies will then be barred from trading with those identified individuals and front companies, and the assets in the U.S. of these individuals and companies will be blocked.

The President has also ordered that evidence be developed against other international criminal groups and their front companies so that further action may be authorized and taken as appropriate.

#### International Assistance

The President has called for an increase in the overall level of U.S. assistance and training in this area.

#### U.S. Legislation

The President has directed that the Justice Department and the Secretaries of State and the Treasury to collect and analyze proposals from all agencies of the United States government to enhance our efforts in the fight against international organized crime and draft appropriate legislation to be introduced by the Administration in the next legislative session.

#### International Declaration

No nation alone can effectively battle these supra-national criminal cartels. They seek as sanctuaries and as targets those nations whose laws or enforcement make them most vulnerable. To counter these forces the United States must cooperate with, assist, and encourage other nations to join in a unified effort.

Accordingly, the President will propose that the countries of the world negotiate an international declaration in which nations pledge cooperation in efforts to combat international organized crime, including nuclear materials smuggling, terrorism, narcotics trafficking, money laundering, alien smuggling, and counterfeiting. The U.S. will work with other concerned nations to develop a draft text which would then be negotiated and signed.

# # #

## THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 22, 1995

## EXECUTIVE ORDER

- - - - -

BLOCKING ASSETS AND PROHIBITING TRANSACTIONS  
WITH SIGNIFICANT NARCOTICS TRAFFICKERS

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 et seq.), and section 301 of title 3, United States Code,

I, WILLIAM J. CLINTON, President of the United States of America, find that the actions of significant foreign narcotics traffickers centered in Colombia, and the unparalleled violence, corruption, and harm that they cause in the United States and abroad, constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States, and hereby declare a national emergency to deal with that threat.

Section 1. Except to the extent provided in section 203(b) of IEEPA (50 U.S.C. 1702(b)) and in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date, I hereby order blocked all property and interests in property that are or hereafter come within the United States, or that are or hereafter come within the possession or control of United States persons, of:

(a) the foreign persons listed in the Annex to this order;

(b) foreign persons determined by the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State:

(i) to play a significant role in international narcotics trafficking centered in Colombia; or

(ii) materially to assist in, or provide financial or technological support for or goods or services in support of, the narcotics trafficking activities of persons designated in or pursuant to this order; and

(c) persons determined by the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, to be owned or controlled by, or to act for or on behalf of, persons designated in or pursuant to this order.

Sec. 2. Further, except to the extent provided in section 203(b) of IEEPA and in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date, I hereby prohibit the following:

(a) any transaction or dealing by United States persons or within the United States in property or interests in property of the persons designated in or pursuant to this order;

(b) any transaction by any United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this order.

Sec. 3. For the purposes of this order:

(a) the term "person" means an individual or entity;

(b) the term "entity" means a partnership, association, corporation, or other organization, group or subgroup;

(c) the term "United States person" means any United States citizen or national, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person in the United States:

(d) the term "foreign person" means any citizen or national of a foreign state (including any such individual who is also a citizen or national of the United States) or any entity not organized solely under the laws of the United States or existing solely in the United States, but does not include a foreign state; and

(e) the term "narcotics trafficking" means any activity undertaken illicitly to cultivate, produce, manufacture,

distribute, sell, finance or transport, or otherwise assist, abet, conspire, or collude with others in illicit activities relating to, narcotic drugs, including, but not limited to, cocaine.

Sec. 4. The Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA as may be necessary to carry out this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out this order.

Sec. 5. Nothing contained in this order shall create any right or benefit, substantive or procedural, enforceable by any party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

Sec. 6. (a) This order is effective at 12:01 a.m. Eastern Daylight Time on October 22, 1995.

(b) This order shall be transmitted to the Congress and published in the Federal Register.

WILLIAM J. CLINTON

THE WHITE HOUSE,  
October 21, 1995.

# # #



DEPARTMENT OF THE TREASURY  
OFFICE OF FOREIGN ASSETS CONTROL

LIST OF SPECIALLY DESIGNATED  
NARCOTICS TRAFFICKERS

FOR FURTHER INFORMATION CONTACT:  
Office of Foreign Assets Control, Department  
of the Treasury, 1500 Pennsylvania Ave.,  
N.W., Washington, DC 20220; Tel.: 202/622-  
2490 (for financial institutions) or 202/622-  
2420.

BACKGROUND INFORMATION:

On October 21, 1995, President Clinton  
signed an Executive order entitled "Blocking  
Assets and Prohibiting Transactions with  
Significant Narcotics Traffickers" (the  
"Order").

The Order blocks all property subject to  
U.S. jurisdiction in which there is any interest  
of four principal figures in the Cali drug  
cartel who are listed in the annex to the  
Order. Those four individuals are named as  
"Principal Individuals" below. In addition,  
the Order blocks the property and interests in  
property of foreign persons determined by the  
Secretary of the Treasury, in consultation with  
the Attorney General and the Secretary  
of State, (a) to play a significant role in  
international narcotics trafficking centered in  
Colombia, or (b) to materially assist in or  
provide financial or technological support for,  
or goods or services in support of, persons  
designated in or pursuant to the Order. In  
addition, the Order blocks all property and  
interests in property subject to U.S.  
jurisdiction of persons determined by the  
Secretary of the Treasury, in consultation with  
the Attorney General and the Secretary  
of State, to be owned or controlled by, or to  
act for or on behalf of, persons designated in  
or pursuant to the Order (collectively  
"Specially Designated Narcotics Traffickers"  
or "SDNTs"). Listed below are an additional  
76 foreign entities and individuals designated  
by the Office of Foreign Assets Control as  
SDNTs pursuant to the Order.

The Order further prohibits any transaction  
or dealing by a United States person or within  
the United States in property or interests in  
property of SDNTs, and any transaction that  
evades or avoids, has the purpose of evading  
or avoiding, or attempts to violate, the  
prohibitions contained in the Order.

Designations of persons blocked pursuant  
to the Order are effective upon the date of  
determination by the Director of the Office  
of Foreign Assets Control, acting under  
authority delegated by the Secretary of the  
Treasury. Public notice of blocking is  
effective upon the date of filing with the  
Federal Register, or upon prior actual notice

Specially Designated Narcotics  
Traffickers

PRINCIPAL INDIVIDUALS:

RODRIGUEZ OREJUELA, GILBERTO, (A.K.A. "THE  
CHESS PLAYER"; A.K.A. "LUCAS"), DOB: 31  
January 1939; Passport: T321642  
(Colombia); 77588 (Argentina); 10545599  
(Venezuela); Cedula No. 6069015 (Colombia);  
Cali, Colombia.

RODRIGUEZ OREJUELA, MIGUEL ANGEL, (A.K.A.  
"EL SEÑOR"; A.K.A. "PATRICIA"; A.K.A.  
"PATRICIO"; A.K.A. "PATTY"; A.K.A. "PAT";  
A.K.A. "MANUEL"; A.K.A. "MANOLO"; A.K.A.  
"MIKE"; A.K.A. "MAURO"; A.K.A. "DOCTOR  
M.R.O."); DOB: 23 November 1943; alt.  
DOB: 15 August 1943; Cedula No. 6095803  
(Colombia); Casa No. 19, Avenida Lago,  
Ciudad Jardin, Cali, Colombia.

SANTACRUZ LONDOÑO, JOSÉ, (A.K.A. "CHEPE";  
A.K.A. "DOK CHEPE"; A.K.A. "EL GORDO  
CHEPE"; A.K.A. "PT"); DOB: 1 October 1943;  
Passport: AB149814 (Colombia); Cedula No.  
1443230 (Colombia); Cali, Colombia.

MERIERA BUTRAGO, NELMER (A.K.A. "PACHO";  
A.K.A. "M7"); DOB: 24 August 1951; alt.  
DOB: 5 July 1951; Passport: J287011  
(Colombia); Cedula No. 16247821  
(Colombia); Cali, Colombia.

ENTITIES:

AUREAL INMOBILIARIA LTDA., Avenida 7 No. 112-  
38 of. 104, Bogotá, Colombia.

CARS & CARS LTDA., (A.K.A. COMERCIALIZADORA  
INTEGRAL LTDA.; A.K.A. PROYECTO CARS &  
CARS; A.K.A. CENTRO COMERCIAL DEL  
AUTOMÓVIL), Avenida Roosevelt entre  
carreras 38 y 38A esquina, Cali, Colombia.

DISTRIBUIDORA DE DROGAS CONDOR LTDA.,  
(A.K.A. CONDOR), Calle 10 No. 32A-64,  
Bogotá, Colombia; Calle 68 52-05, Bogotá,  
Colombia.

DISTRIBUIDORA DE DROGAS LA REBAJA S.A.,  
(A.K.A. DROGAS LA REBAJA; A.K.A.  
DISTRIBUIDORA DE DROGAS LA REBAJA  
PRINCIPAL S.A.), Calle 10 No. 4-47 Piso 19,  
Cali, Colombia; Calle 18 121-130, Cali,  
Colombia; Calle 14 6-66, Cali, Colombia;  
Carrera 7 13-132 piso 4, Cali, Colombia;  
Carrera 7A 14-25 piso 2, Cali, Colombia;  
Carrera 10 11-71, Cali, Colombia; Carrera 99  
No. 46 A-10 Bde 6 y 8, Bogotá, Colombia.

DISTRIBUIDORA MIGEL LTDA., (A.K.A. MIGEL; A.K.A.  
DISTRIBUIDORA MIGEL CALI S.A.; F.K.A.  
DISTRIBUIDORA MIGEL BOGOTÁ LTDA.), Calle  
SC 41-30, Cali, Colombia; Carrera 26 5B-65,  
Cali, Colombia; Carrera 30-5-12, Cali,  
Colombia.

DROGAS LA REBAJA BARRAQUILLA S.A., Avenida  
Pedro Heredia, Barraquilla, Colombia; Local  
Ceres, Barraquilla, Colombia; Local de  
Riobaca, Barraquilla, Colombia.

DROGAS LA REBAJA BUCARAMANGA S.A., Local  
No. 1, Bucaramanga, Colombia; Local No. 1,  
Cucua, Colombia; Local No. 2, Cucua,  
Colombia; Local No. 6, Cucua, Colombia;  
Local No. 7, Cucua, Colombia; Local No. 9,  
Cucua, Colombia; Local 201, Valledupar,  
Colombia.

DROGAS LA REBAJA CAU S.A., Barrio Siloe, Cali,  
Colombia; Calle 1a 10-85, Cali, Colombia;  
Calle 3a 2-1, Barrio Siloe, Cali, Colombia;  
Local 100, Carrera No. 20, Cali, Colombia;  
Local 100, Carrera No. 17, Cali, Colombia;  
Narcotráfico, Calle Cali, Colombia.

DROGAS LA REBAJA NENA S.A., Nena, Colombia.  
DROGAS LA REBAJA PASTO S.A., Calle 18 #26-  
40, Pasto, Colombia; Local No. 6, Pasto,  
Colombia; Local No. 13, Puerto Asis,  
Colombia.

DROGAS LA REBAJA PEREIRA S.A., Local  
Cajamarca, Pereira, Colombia; Local Dos  
Quebradas, Pereira, Colombia; Local Santa  
Rosa de Cabal, Pereira, Colombia; Local la  
Virginia, Pereira, Colombia.

GANADERIA LTDA., (A.K.A. GANADERIA), Carreras 4  
12-41 piso 15, Edificio Seguros Bolívar, Cali,  
Colombia.

GRUPO SANTA LTDA., Calle 18 105-98 of. 201/202,  
Cali, Colombia; Carreras 4 12-41 piso 14 y 15,  
Edificio Seguros Bolívar, Cali, Colombia;  
Carrera 84 17-29, Cali, Colombia.

HACIENDA LA NOVILLERA, (A.K.A. NOVILLERA;  
A.K.A. NOVILLERA GANADERA), Carrera 4 12-41  
piso 15, Edificio Seguros Bolívar, Cali,  
Colombia; Páso de la Bolsa, Jamundí, Valle  
del Cauca, Colombia.

HACIENDA SANDRANA, (A.K.A. SANDRANA; A.K.A.  
SANDRANA GANADERA), Carrera 4 12-41 piso  
15, Edificio Seguros Bolívar, Cali, Colombia;  
Saa Pedro, Valle del Cauca, Colombia.

INMOBILIARIA AURORA LTDA., Avenida  
Casagrande con Avenida Oca 35, Cali,  
Colombia; Carrera 4 12-41 piso 15, Edificio  
Seguros Bolívar, Cali, Colombia; Carrera 24F  
Oeste 3-70, Cali, Colombia; Carrera 38A No.  
55-31, Edificio Conquistadores, Cali,  
Colombia.

INMOBILIARIA SAMARIA LTDA., Calle 13 3-32 piso  
13, Cali, Colombia; Calle 13A 64-50 F201,  
Cali, Colombia; Calle 18, No. 105-98 of. 201/  
202, Cali, Colombia; Carrera 4 12-41 piso 15,  
Edificio Seguros Bolívar, Cali, Colombia.

INTERCREDITOS S.A., (A.K.A. INTERCREDITOS  
BOGOTÁ), Bogotá, Colombia; (A.K.A.  
INTERCREDITOS CALI), Avenida Roosevelt No.  
38-32, piso 2, Cali, Colombia.

INVERSIONES ARA LTDA., Avenida 4N 6N-67 of.  
601, Cali, Colombia; Avenida 6AN 18-69 1-  
128, Cali, Colombia; Avenida 6AN 23DN-16  
of. 402, Cali, Colombia; Club El Remaso,  
Jamundí, Colombia.

INVERSIONES EL PASO LTDA., (F.K.A.  
INVERSIONES NEGOCIADORA S.A.), Carrera 4  
No. 12-41 of. 1403, Cali, Colombia.

INVERSIONES INTEGRAL Y CIA., Calle 16B No.  
114-80 Casa 2, Cali, Colombia; Carrera 2  
Oeste 5-46 apt. of. 503, Cali, Colombia.

INVERSIONES MIGUEL RODRIGUEZ E HNO., Avenida  
4N 6N-67 of. 601, Cali, Colombia; Avenida  
6N 23DN-16 of. 202, 301, 302, 401, 402,  
Cali, Colombia.

INVERSIONES SANTA LTDA., (F.K.A. INVERSIONES  
Y CONSTRUCCIONES SANTA LIMITADA), Calle  
5 66B-49 piso 3, Cali, Colombia; Calle 5  
Oeste 3A-26 apt. of. 103, 301, 404, 502, 503,  
Cali, Colombia; Calle 7 Oeste 25-43, Cali,  
Colombia; Calle 9 No. 46-69 of. 302, Cali,  
Colombia; Calle 13 3-32 piso 14, Cali,  
Colombia; Carrera 2 Oeste 5-46 of. 502, Cali,  
Colombia; Carrera 4 12-41 piso 14, Edificio  
Seguros Bolívar, Cali, Colombia; Carrera 4  
12-41 piso 15, Edificio Seguros Bolívar, Cali,  
Colombia.

LABORATORIOS BLANIR DE COLOMBIA S.A.,  
(A. K.A. BLANIR), Calle 12B 27-30 Bogotá,  
Colombia.

LABORATORIOS KRESSFOR DE COLOMBIA S.A.,  
(A.K.A. KRESSFOR), Calle 16 28A-51, Bogotá,  
Colombia; Calle 16 28A-57, Bogotá,  
Colombia; Calle 17 28A-43, Bogotá,  
Colombia; Calle 17A 28-43, Bogotá,  
Colombia.

PREVIA S.A. (A.K.A. PREVENCIÓN Y ANALISIS DE  
RIESGOS), Carrera 3 No. 10-20 of. 202, Cali,  
Colombia; Carrera 3 No. 12-40 of. 504, Cali,  
Colombia.

SAMARIA ARREDIAMENTO, Cali, Colombia.

SAMARIA CAÑAS, Cali, Colombia.

SAMARIA INTERESES, Cali, Colombia.

SAMARIA LTDA., Cali, Colombia.

SAMARIA TIERRAS, Cali, Colombia.

SANDRANA CAÑAS, Cali, Colombia.

SOCIEDAD CONSTRUCTORA LA CASCADA S.A.,  
(A.K.A. CONSTRUCTORA CASCADA), Calle 1A  
62A-120, Cali, Colombia; Calle 1A 62A-120  
B2 108, Cali, Colombia; Calle 1A 62A-120  
2225, Cali, Colombia; Calle 1A 62A-120  
2418, Cali, Colombia; Calle 1A 62A-120  
4114, Cali, Colombia; Calle 1A 62A-120  
6245, Cali, Colombia; Calle 13 3-32 piso 12  
y piso 14, Cali, Colombia; Carrera 4 12-41  
of. 1401, Cali, Colombia; Carrera 4 No. 12-  
41 of. 1403, Cali, Colombia; Carrera 64 1C-  
63, Cali, Colombia; Carrera 64 1B-83, Cali,  
Colombia.

#### OTHER INDIVIDUALS:

ARBELAEZ Pardo, AMPARO, DOB: 9 November  
1950; alt. DOB: 9 August 1950; Passport:  
AC568973 (Colombia); PE001850  
(Colombia); Cedula No. 31218903 or  
31151067 (Colombia); Casa No. 19, Aveida  
Lago, Ciudad Jardín, Cali, Colombia; c/o  
INVERSIONES ARA LTDA., Cali,  
Colombia; c/o LABORATORIOS  
KRESSFOR DE COLOMBIA S.A., Bogotá,  
Colombia.

ARLON FACILLA, ROBERTO, Cedula No. 16632415  
(Colombia); c/o DISTRIBUIDORA DE  
DROGAS CONDON S.A., Bogotá, Colombia.

BORRERO O., NECTOR FABIO, c/o  
INMOBILIARIA SAMARIA LTDA., Cali,  
Colombia; c/o INVERSIONES SANTA  
LTDA., Cali, Colombia; c/o SOCIEDAD  
CONSTRUCTORA LA CASCADA S.A.,  
Cali, Colombia.

CALDERON RODRIGUEZ, SOLANGE, c/o  
INMOBILIARIA AURORA LTDA., Cali,  
Colombia; c/o INVERSIONES SANTA  
LTDA., Cali, Colombia; c/o SOCIEDAD  
CONSTRUCTORA LA CASCADA S.A.,  
Cali, Colombia.

CARDONA OCHOA, CARLOS JULIO, Cedula No.  
7524996 (Colombia); c/o AUREAL  
INMOBILIARIA LTDA., Bogotá, Colombia;  
c/o GRUPO SANTA LTDA., Cali, Colombia.

CASTRO DE SANTACRUZ, AMPARO, DOB: 13  
January 1948; alt. DOB: 13 January 1946, 14  
April 1959, 14 April 1957; SSN 150-50-  
6323; Passports: PE027370 (Colombia),  
AA439676 (Colombia); Cedula No. 38983611  
(Colombia); c/o INMOBILIARIA SAMARIA  
LTDA., Cali, Colombia; c/o INVERSIONES  
EL PASO LTDA., Cali, Colombia; c/o  
INVERSIONES SANTA LTDA., Cali,  
Colombia; c/o SAMARIA LTDA., Cali,  
Colombia.

CAVIEDES CRUZ, LEONARDO, DOB: 23 November  
1952; Passports: AB151466 (Colombia),  
AC444270 (Colombia), OC444200  
(Colombia); Cedula No. 16593470  
(Colombia); c/o INVERSIONES SANTA  
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GIL OSORIO, ALFONSO, DOB: 17 December 1946;  
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DROGAS LA REBAJA S.A., Bogotá,  
Colombia; c/o DISTRIBUIDORA MIGIL  
LTDA., Cali, Colombia; c/o  
LABORATORIOS BLAIMAR DE  
COLOMBIA S.A., Bogotá, Colombia; c/o  
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- RODRIGUEZ ABADIA, WILLIAM, DOB: 31 July 1965; Cedula No. 16716259 (Colombia); c/o DISTRIBUIDORA DE DROGAS CONDOR LTDA., Bogota, Colombia; c/o DISTRIBUIDORA DE DROGAS LA REBAJA S.A., Bogota, Colombia; c/o DISTRIBUIDORA MIGIL LTDA., Cali, Colombia; c/o LABORATORIOS BLAIMAR DE COLOMBIA S.A., Bogota, Colombia; c/o LABORATORIOS KRESSFOR DE COLOMBIA S.A., Bogota, Colombia.
- RODRIGUEZ ARBELAEZ, CAROLINA, DOB: 17 May 1979; c/o INVERSIONES ARA LTDA., Cali, Colombia.
- RODRIGUEZ ARBELAEZ, MARIA FERNANDA, DOB: 28 November 1973; alternate DOB: 28 August 1973; Passport: AC568974 (Colombia); Cedula No. 7382804819 (Colombia); c/o DISTRIBUIDORA DE DROGAS LA REBAJA S.A., Bogota, Colombia.
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- RODRIGUEZ MONDRAGON, MARIA ALEXANDRA, (A.K.A. RODRIGUEZ MONDRAGON, ALEXANDRA), DOB: 30 May 1969; alt. DOB: 5 May 1969; Passport: AD359106 (Colombia); Cedula No. 66810048 (Colombia); c/o DISTRIBUIDORA DE DROGAS CONDOR LTDA., Bogota, Colombia; c/o DISTRIBUIDORA DE DROGAS LA REBAJA S.A., Bogota, Colombia; c/o LABORATORIOS BLAIMAR DE COLOMBIA S.A., Bogota, Colombia.
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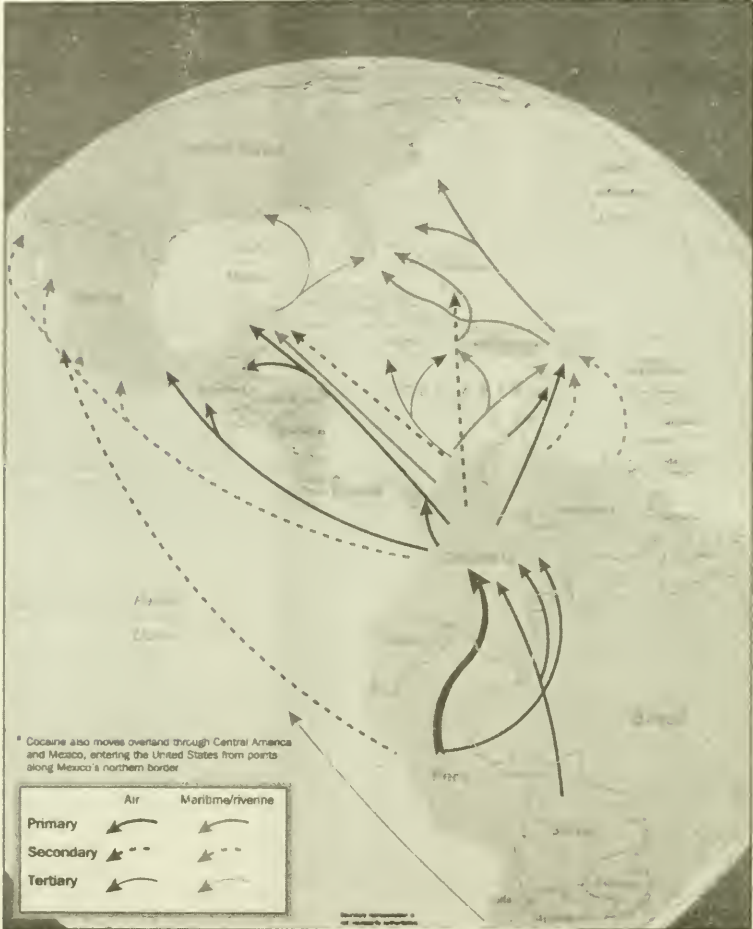
## Electronic Availability

The Executive order and the information above will be printed in the Federal Register on or before October 25, 1995. These documents will be available as electronic files on *The Federal Bulletin Board* of the Government Printing Office. By modem, dial 202/512-1387 and type "/GO FAC," or call 202/512-1530 for disks or paper copies. The files will be available for downloading in WordPerfect, ASCII, and Adobe Acrobat™ readable (\*.PDF) formats.

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## CHARTS SUBMITTED BY THE OFFICE OF NATIONAL DRUG CONTROL POLICY

### Air and Maritime Cocaine Transshipment Routes to the United States, 1995\*





# INTERDICTION AND INTERNATIONAL DRUG PROGRAM FUNDING

President's Request versus Congressional Action  
(millions of dollars)

	Interdiction		International	
	President's Request	Congress Enacted	President's Request	Congress Enacted
FY 92	2,109	2,217	779	763
FY 93	2,220	1,746	768	538
FY 94	1,765	1,300	490	351
FY 95	1,206	1,293	428	310

Source: ONDCP

STATE DEPARTMENT BUREAU OF INTERNATIONAL NARCOTICS  
AND LAW ENFORCEMENT AFFAIRS\*

Request versus Enacted  
(dollars in millions)

	President's Request	Congress Enacted
FY 92	172	172
FY 93	173	148
FY 94	148	100
FY 95	228	105

## Colombia-Peru: Flow of Cocaine Disrupted, March-September 1995



## QUESTIONS SUBMITTED TO MR. LEE P. BROWN BY CHAIRMAN GILMAN

### QUESTION:

The Customs Service testified that nearly 40 percent of the cocaine seizures are related to its very effective P-3 air equipment. SouthCom also supports these planes key role in the struggle against drugs, and even the Air Force Chief of Staff has indicated that he realizes the P-3's value in the drug (effort) in taking pressure off the AWACS.

More P-3's are needed everyone clearly agrees, but no one has stepped up to the plate and asked for or requested the necessary funding to get additional P-3's on line, and to take on the challenge of interdiction. In your role as director of our national drug control policy, isn't this the very type of situation that was envisioned for your office to take the lead on, and if so, please share your plans to get more P-3's into the interdiction effort as soon as

possible either by DOD, U.S. Customs, or both, so that we can take advantage of some recent very positive developments in the Americas in the battle against drugs?

### RESPONSE:

The P-3 AEW aircraft are important counterdrug assets. Working in conjunction with other assets, the P-3 AEW's provide a very effective detection and monitoring capability against airborne traffickers.

Admiral Kramek, in his role as the U.S. Interdiction Coordinator, has been looking at options to increase airborne radar coverage for counterdrug operations. We are in agreement that providing additional P-3 AEW aircraft would be the most effective means to expand our counterdrug AEW force. P-3's are both cheaper to acquire and cheaper to operate than E-3 AWACS, and the AWACS capabilities are not as well matched to the narcotics threat. For reasons of efficiency and operational flexibility the Customs Service should operate any additional P-3 AEW aircraft.

Unfortunately, even though excess P-3 aircraft could probably be provided from the Navy's inventory, performing the necessary modifications is quite expensive. The estimated acquisition and modification cost for two additional aircraft and supporting infrastructure, assuming surplus E-2 radar's are available, is approximately \$90 million, with additional annual operating costs of \$10 million. As you may recall, in FY '95, Congress directed DOD to set aside two additional P-3 aircraft and radars for transfer to Customs, but then failed to provide the additional required funding to Customs to perform the AEW conversion. To date, I have received no indication that this additional required funding will be forthcoming.

In summary, I believe that an increase to the USCS P-3 AEW fleet would be a valuable addition to our current detection and monitoring capability. In my judgment, however, the programs we would have to shut down or downgrade, to raise the money would hurt our counternarcotics effort more than the help provided by an additional P-3. Further, I understand that excess AEW radars needed for the conversion are not available since the Navy has no plans to retire additional Navy E-2C aircraft in the near future. To purchase these radars on the open market would raise the costs considerably and make reallocation of existing counternarcotics monies to build two P-3's even harder to justify. I am also concerned about the associated cost and cannot readily identify less important counternarcotics programs from which the funding could be made available.

In addition, we need to make sure we are addressing current and future narcotics smuggling trends to ensure the most cost effective investment of our limited funds. ONDCP will continue to look for alternative ways to address this issue without adversely affecting our *National Drug Control Strategy* goals.



Question for the Record Submitted to Robert Gelbard  
by Mr. Gilman  
House International Relations Committee  
October 31, 1995

1. Are you satisfied that it may take the Brazilians more than five years to set up ground based radar in the region? Why can't we share AWACS and P-3 air trafficking data with the Brazilians now, and in the interim, ask them to go after this narco-trafficking over their own territory?

A. Five years is an acceptable estimate of the time required to complete contracting arrangements and begin to operate a multi-use detection and monitoring system called the Amazon Surveillance System (SIVAM). The Export-Import Bank made a commitment to provide \$1.4 billion in financing last year for the Brazilians to purchase SIVAM.

However, the Brazilian congress has held up approval of the funding because some legislators allege that irregularities in the bidding process interfere with proper contract procedures. Some also question the high costs of the SIVAM concept.

In the interim, Brazil is participating in regional efforts to disrupt the chain of illicit cocaine trafficking. The recent discovery of a major cocaine refining facility in the Amazon region indicates that such narcotics trafficking activity in that region is increasing.

Question for the Record Submitted to Robert Gelbard  
by Mr. Gilman  
House International Relations Committee  
October 31, 1995

2. There is some indication that the clandestine cocaine labs in Colombia may be moving into Ecuador and other neighboring nations. If this is true, what are our plans to counter these developments?

A. We plan to engage in regional efforts to confirm hypotheses about the transfer of cocaine refining facilities from Colombia to other countries. We have no indication that such facilities have moved to Ecuador.

However, law enforcement pressure from the Colombian and Peruvian governments has shifted some trafficking activity to Brazil. The recent discovery of a major cocaine refining facility in the Amazon region indicates that some portions of narcotics trafficking activity in that region are increasing.

We are working with Brazilian Federal Police and other transit country police forces to enhance their abilities to identify refining facilities, plan raids, arrest traffickers, and dismantle international narcotics trafficking organizations.

Question for the Record Submitted to Robert Gelbard  
by Mr. Gilman  
House International Relations Committee  
October 31, 1995

3. The new air bridge trafficking patterns in the Andean region as a result of Peru's very effective air interdiction efforts against coca paste and/or coca base headed for processing in Colombia, has put new emphasis on the role of Brazil. The latest patterns clearly show Brazil has now become a major new route to circumvent Peru's effective air interdiction efforts. What is the government of Brazil doing to handle this developing narco-trafficking pattern and refueling in the Amazon region by many of these planes on the way to Colombia?

A. Brazil has agreed to cooperate in regional efforts. The Brazilian government has also indicated some interest in participating in information sharing initiatives.

Brazil qualified last year for a commitment from the Export-Import Bank of \$1.4 billion in financing to purchase and build the Amazon Surveillance System (SIVAM). The Brazilian congress is still debating the approval of the funding for this project. Some legislators apparently object to the high costs and allege irregularities in the bidding process.

Question for the Record Submitted to Robert Gelbard  
by Mr. Gilman  
House International Relations Committee  
October 31, 1995

4. In your testimony, you indicated Brazil is, or will soon be seeking international funding, to improve its radar capacity to attack this new air drug trafficking problem. How long will the financing take as well as the eventual installation, before this new radar is up and working?

A. The Brazilian government estimates that it requires five years to build the Amazon Surveillance System (SIVAM), for which the government received a commitment worth \$1.4 billion last year from the Export-Import Bank. However, the Brazilian congress has held up approval of the funding, due to opposition by some legislators.

We anticipate the Brazilian government will request additional financing to implement another initiative, called ProAmazonas. ProAmazonas will involve the stationing of Brazilian Federal Police near the Peru-Bolivia-Brazil border region, as well as elsewhere in Brazil. The police will conduct counternarcotics operations which will deter traffickers from shipping cocaine base and finished cocaine through Brazil and onward to the U.S.



Question for the Record Submitted to Robert Gelbard  
by Mr. Gilman  
House International Relations Committee  
October 31, 1995

5. Was there ever a time, or instance, during the last year, when the State Department became aware of, or was asked to assist, support, or in any way help or condone, any Burmese government or military efforts that could result in the possible capture or defeat of the notorious opium war lord Khun Sa in Burma? If so, please explain the circumstances, and the State Department's response to any such effort?

A. It is widely known that a campaign by the Burmese Army actively targeting the Shan United Army of Khun Sa has been going on for more than two years. The Department of State is supportive of efforts that result in the disruption of heroin trafficking activity in the Shan state. We have, on our own initiative, shared information with the Burmese authorities that might help them in their efforts against Khun Sa. We have recently offered a reward for information leading to the arrest and conviction of Khun Sa, who is under indictment in the United States for drug trafficking. The Burmese government or military have not, however, solicited our assistance or support for any efforts to capture or defeat Khun Sa.

Question for the Record Submitted to Robert Gelbard  
by Mr. Burton  
House International Relations Committee  
October 31, 1995

1. Can you explain to the Committee the details of the President's new anti-money laundering initiative which was part of his recent speech to the U.N. What is the timeframe in which the State Department will release a list of countries heavily involved in money laundering? How will this new list compare to the list of countries categorized as major centers of money laundering published in your International Narcotics Control Strategy Report of March 1995?

A. There are several key components of the initiative announced by the President, including the decision to invoke sanctions against those countries and/or institutions which are determined to be egregious offenders with respect to money laundering.

The Department of the Treasury is leading this effort, working in collaboration with State, Justice and other relevant agencies.

The analysis of anti-money laundering efforts and their effectiveness actually begins with the International Narcotics Control Strategy Report (INCSR). In 1995, the INCSR gave rankings for 184 nations and territories. The President's initiative builds and expands on this effort. The President has required the interagency community to identify and focus on those countries that are the most egregious safehavens for illicit proceeds and to enter into negotiations with those countries to end that status. If these negotiations ultimately prove to be unsuccessful, the President will consider appropriate sanctions against these

countries. Analysts are currently assessing the scope of the money laundering problem globally. The results of this review will be incorporated into the 1996 INCSR. Beyond the relative priority generated by this analysis, the next step will be to determine the root(s) of the money laundering problem in each country (e.g., lack of laws and policies, weak enforcement, lack of political will, lack of cooperation by the financial community, etc.). This will then form the basis for negotiations with these countries.

The contemplation is that the interagency working group will have its preliminary analysis completed in early January, and will forward to senior policy makers a list of countries that should be targetted, together with supporting documents. However, this document will likely not be made public, given that the Presidential directive mandates consultation with egregious offenders. The new or updated INCSR list will be available, as required by law, on March 1, 1996.

Question for the Record Submitted to Robert Gelbard  
by Mr. Burton  
House International Relations Committee  
October 31, 1995

2. What will be the timeframe between completing this list of countries and imposing sanctions? In other words, are we going to negotiate with these offenders and give them a chance to enact new policies prior to imposing sanctions?

A. There is no predetermined timeframe. As indicated, the requirement under the Presidential directive is to consult with these governments. In some cases, we may well need the cooperation of a number of governments in order to bring effective controls on their financial institutions.

3. How will the State Department treat the non-independent areas of Britain, France and the Netherlands in relation to this effort?

A. As noted in the INCSR, we have always treated these areas as independent financial centers, and they are given rankings in the INCSR independent of mother countries. They are also being treated as independent financial centers for the purposes of PDD-42.



Question for the Record Submitted to Robert Gelbard  
by Mr. Burton  
House International Relations Committee  
October 31, 1995

4. If you impose sanctions on a nation, how will this impact bilateral trade and tourism? Will the U.S. ban all monetary transactions with the country or only with certain institutions?

A. It is too early to assess the likely impact of sanctions. The target countries have not yet been identified, and the President's decision to impose sanctions and the nature of any such sanctions would likely depend on the country involved and the nature of its money laundering problem. The impact would vary with the sanction. For example, this initiative could target financial institutions in a number of instances, perhaps in collaboration with another government, or independently. The impact of this type of sanction would be quite different than other possible responses.

Question for the Record Submitted to Robert Gelbard  
by Mr. Burton  
House International Relations Committee  
October 31, 1995

5. We understand that the government of Cuba has a history of permitting drug runners to use Cuba as a safe haven for the transshipment of drugs to the U.S. It is alleged there are a few drug dealers in custody in U.S. jails that can testify to Cuba's official support and dealings with them in their efforts to bring drugs to the U.S. Do you know anything about this?

A. Cuban airspace is traversed by drug-trafficking aircraft flying from Colombia to the United States. In addition, there are instances in which trafficking vessels evade U.S. and Caribbean law enforcement agencies by hiding in Cuban territorial water. Cuban counternarcotics forces have had sporadic success in interdiction operations.

Since the celebrated trial and execution of senior military and Ministry of Interior officials on corruption and drug-related charges in 1989, the Cuban government has insisted it has no drug-related corruption. We suspect that some corrupt officials may facilitate drug trafficking in Cuba, but we are unable to determine the level of corruption.

The Department of Justice is the agency most capable of responding to your question regarding potential testimony by inmates of the U.S. penal system.

Question for the Record Submitted to Robert Gelbard  
by Mr. Burton  
House International Relations Committee  
October 31, 1995

6. Do you know anything about Cuban-owned or joint venture companies that are involved in the circumvention of the embargo by shipping U.S. products to Cuba? Is there a relationship with drug activities of these Cuban-owned and joint venture companies operating in Panama? Is there a relationship with money laundering activities through the Colon Free Zone in Panama?

A. There are indications that companies in Panama may be passing U.S. products to Cuba. It is true that Panama's Colon Free Zone does not have a strong system of controls that would allow its administrative unit to monitor and detect abuses such as drug trafficking and money laundering. The Government of Panama is taking steps to address this problem.

International criminals can exploit many areas of crime: contraband smuggling, drug trafficking, and money laundering. The proceeds of various crimes are often commingled, thereby making it difficult to determine their origin. For this reason, we are urging Panama and other governments that have criminalized laundering of drug-related proceeds to extend criminalization to include laundering of all illicit proceeds.

Trading with Cuba is not a crime in Panama. Under U.S. law, however, American citizens who sell U.S. goods to Cuba can be fined and imprisoned. Foreign companies that do so are not subject to U.S. jurisdiction. The "Specially

Designated Nationals" list maintained by the Department of Treasury's Office of Foreign Assets Control identifies individuals and foreign companies which are owned or controlled by the Cuban government or act for or on its behalf. Questions about the list of Specially Designated Nationals of Cuba (Cuban SDN's) and about possible violations of the Cuban embargo should be posed to the Office of Foreign Assets Control (OFAC) at Treasury.



Question for the Record Submitted to Robert Gelbard  
by Mr. Burton  
House International Relations Committee  
October 31, 1995

7. Has DEA or U.S. Customs Service made an analysis of the officers of these corporations that are dealing with Cuba from Panama's Colon Free Zone? Is there evidence of involvement in money laundering and/or drug-related activities?

A. There is evidence that the Colon Free Zone is being abused by drug traffickers and money launderers. The Administration of the Colon Free Zone, with full backing from President Perez Balladares, has taken an interest in combatting illegal transactions, including money laundering, in close cooperation with customs and police authorities.

Panama's Judicial Technical Police arrested several alleged money launderers this year. On October 27, two Zone users were arrested based on outstanding warrants from the Southern District of New York issued in July 1992. One of the two was extradited to the U.S. The other, a Panamanian national, will be prosecuted in Panama.

The Government of Panama is taking steps to clean up the Colon Free Zone, particularly with regard to money laundering. Although controls have not been implemented as quickly as we had hoped, we were pleased to note that Panama recently passed a new law that will enable a suspicious transaction reporting regime to be established for the country's banks and commercial institutions, including the Colon Free Zone.

DEA and U.S. Customs can best respond to your question about those agencies' analyses of activities in the Colon Free Zone.

Question for the Record Submitted to Robert Gelbard  
by Mr. Burton  
House International Relations Committee  
October 31, 1995

8. Do you know anything about Cuba's Banco Nacional and whether it is being used to launder cash proceeds from drug activities in New York?

A. As you are aware, Cuba has a closed society. Its banking system lacks the transparency that is needed to enforce adequate bank regulation and control money laundering through a suspicious transaction reporting regime. It is therefore extremely difficult to determine the degree to which money laundering may be taking place.

The Cuban government closely controls foreign exchange transactions. It also maintains foreign exchange accounts in Europe through correspondent banks. It is possible that Cuban officials may be engaging in foreign currency transactions including the laundering of licit and illicit proceeds through front companies established in other countries. We have no direct evidence indicating that Banco Nacional is being used to launder cash proceeds from drug activities in New York.

Question for the Record Submitted to Robert Gelbard  
by Ms. Ros-Lehtinen  
House International Relations Committee  
October 31, 1995

AFRICA SPECIFIC

1. What are U.S. narcotics interests in Africa? What areas of the problem is the U.S. focusing on in Africa?

A. U.S. narcotics interests in Africa include encouraging countries to cooperate fully with the United States, or take adequate steps on their own to achieve full compliance with the goals and objectives of the 1988 UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. In Africa, the primary emphasis is on efforts to train local and national law enforcement personnel in order to strengthen the institutions and infrastructure supporting narcotics control.

Although Nigeria remains the most serious threat, southern Africa is another focal point. The flux in South Africa associated with the dramatic change in regime in 1994 and the transition to a new political climate unfortunately has allowed narcotics trafficking and consumption to spread throughout the region. The South African Justice Minister recently said that at least 115 international drug syndicates are operating in South Africa and playing a major role in economic crime and money laundering. In addition, the UNDCP notes indications of South American cocaine-cartel infiltration into South African financial institutions.



Question for the Record Submitted to Robert Gelbard  
by Ms. Ros-Lehtinen  
House International Relations Committee  
October 31, 1995

AFRICA SPECIFIC

2. Do you think that the current level of narcotics control assistance allocated for Africa is commensurate with U.S. narcotics interests in Africa?

Should there be a redistribution (not additional new funds) of funds to allocate more to efforts relating to this region?

A. While additional funds and resources would always be welcome, the current distribution of funds is appropriate in terms of the Administration's narcotics control priorities.

Question for the Record Submitted to Robert Gelbard  
by Ms. Ros-Lehtinen  
House International Relations Committee  
October 31, 1995

3. Do you believe that narcotics control funds are better spent on such items as a U.S. Narcotics Affairs Liaison Office in Europe -- where the U.S. already has a substantial number of embassies and personnel -- or would it be more productive to use these funds in providing assistance to Africa and other regions.

A. A key tenet to our worldwide drug control strategy is to enhance the political and economic commitment of developed nations and international organizations in fighting the narcotics scourge. Our officer based at the U.S. Mission to the European Union works to promote USG law enforcement issues across the board, including in the area of narcotics control. This officer -- with direct ties to the Bureau of International Narcotics and Law Enforcement Affairs at home -- also advances these interests with such organizations as the U.N. Drug Control Program and the Dublin Group. As a result, and also through traditional bilateral relationships, we have seen a marked increase in awareness of the drug problem in these European countries and institutions and a greater willingness to be a concrete part of the solution in terms of providing narcotics control funds in the drug producing and transit nations. This approach ensures a more coordinated donor nation approach and is especially important in an era of diminishing U.S. resources. Similarly, our narcotics and law enforcement officer based in Moscow plays an essential role in addressing the risk to our own and world security of a growing crime and narcotics threat in Russia.

Question for the Record Submitted to Robert Gelbard  
by Ms. Ros-Lehtinen  
House International Relations Committee  
October 31, 1995

AFRICA SPECIFIC

4. There are many other West African countries which are now being used as transit points by traffickers.

Are any establishing independent cells or are they simply Nigerian recruits and part of the Nigerian organization?

A. We do not have evidence which indicates development of major independent trafficking networks in other West African countries. On the other hand, Nigerian criminal and narcotics trafficking organizations are well-organized and operate in a fluid, semi-autonomous structure. Through mutual and usually tribal-based relationships, the cells form an intricate network which enables them to engage in criminal activities around the world. The organizations are able, therefore, to change their criminal methodology rapidly and in a very targetted fashion in response to local law enforcement initiatives.

Question for the Record Submitted to Robert Gelbard  
by Ms. Ros-Lehtinen  
House International Relations Committee  
October 31, 1995

AFRICA SPECIFIC

5. What kind of preventive measures has the U.S. implemented to curtail further expansion of the illicit drug trade in Africa?

A. In Fiscal Year 1995, the Bureau for International Narcotics and Law Enforcement Affairs (INL) provided training and technical assistance to Benin, Ghana, Liberia, South Africa, Swaziland and Nigeria. In addition, we are working with other donors to coordinate counternarcotics efforts in the region most efficiently. For example, a regional drug demand reduction training workshop held in Lusaka was funded largely by the Commonwealth Secretariat in London, and INL provided the trainers.

AFRICA SPECIFIC

6. What methods are currently being used for transport?

Do African methods differ from those implemented by narcotics organizations operating in other regions of the world?

A. African methods are no different from those used in other areas of the world. Air, land, and sea routes are all employed. Young women, children, and pregnant women have all been used as couriers. The methods of concealment include drugs placed in braided hair, musical instruments, false-sided luggage, and ingestion.



Question for the Record Submitted to Robert Gelbard  
by Ms. Ros-Lehtinen  
House International Relations Committee  
October 31, 1995

AFRICA SPECIFIC

7. When we talk about narcotics trafficking, we are referring to much more than the growing, refining, transporting of the illegal substance but also to money laundering.

What do U.S. agencies know about the financial structure of the Nigerian trafficking apparatus and that of other African countries?

Has it reached U.S. banks and financial institutions?

What is the magnitude of the problem and what is being done to prevent it from becoming a serious issue for the U.S.?

A. As noted earlier, Nigerian criminal and narcotics trafficking organizations are well-organized and operate in a fluid, semi-autonomous structure. Through mutual and usually tribal-based relationships, the cells form an intricate network which enables them to engage in criminal activities around the world. The organizations are able, therefore, to change their criminal methodology rapidly and in a very targeted fashion in response to local law enforcement initiatives. The problem has most probably reached U.S. financial institutions. The Department of Treasury would be better prepared to address what is being done domestically to prevent it from becoming a serious issue for the U.S.

Question for the Record Submitted to Robert Gelbard  
by Ms. Ros-Lehtinen  
House International Relations Committee  
October 31, 1995

AFRICA SPECIFIC

8. As we have seen in other regions, narcotics trafficking creates a parallel economic infrastructure within the base countries.

Is this taking place in Africa?

How is the illicit drug trade affecting African countries vis-a-vis domestic stability, political reform, and economic growth?

A. As you note, narcotics trafficking does indeed serve to undermine the legitimate economy and we can see the effect worldwide. The consequences in Africa mirror those found in other regions of the world where the scourge of illicit drugs has taken its toll: workers in the drug trade are not contributing to the legitimate economy; and law enforcement and judicial and social institutions are overwhelmed and undermined.

Question for the Record Submitted to Robert Gelbard  
by Ms. Ros-Lehtinen  
House International Relations Committee  
October 31, 1995

AFRICA SPECIFIC

9. Does the U.S. suspect any African government of being directly or indirectly involved in the illicit drug trade?

If so, which ones? What is the extent of their involvement? (Do they simply turn the other cheek or is their involvement more proactive?)

A. Generally, we do not believe that most African governments are actively involved in the drug trade as a matter of formal economic or diplomatic policy though pockets of individual corruption, obviously, are a problem. The most significant aspect of the problem is more often an inability to address the issue with sufficient commitment because of a lack of resources or lack of political will. For example, the Government of Nigeria has not been fully cooperative in honoring U.S. extradition requests for narcotics traffickers and, in fact, recently ordered the release of nine fugitives who are being

AFRICA SPECIFIC

10. How cooperative are African governments in assisting U.S. investigations of African drug rings? (Do they provide the necessary access to information? Do they follow through with U.S. extradition requests?)

A. Generally, with the exception of Nigeria, most African governments have demonstrated a sincere willingness to assist U.S. investigations into African drug rings. As a general observation, we make relatively few extradition requests to and have few extradition requests from African countries. Although some of our requests to Nigeria have been handled expeditiously, others have not.

Question for the Record Submitted to Robert Gelbard  
by Ms. Ros-Lehtinen  
House International Relations Committee  
October 31, 1995

AFRICA SPECIFIC

11. Specifically, what steps are being taken by the U.S. government to achieve binding counternarcotics and extradition accords with African governments?

Which governments are we focusing on? What has been their response? Have there been any tangible results?

What sort of timeline are we looking at to reach an agreement with these governments?

A. The U.S. has extradition treaties in force with Congo, the Gambia, Ghana, Kenya, Lesotho, Liberia, Malawi, Mauritius, Nigeria, Seychelles, Sierra Leone, South Africa, Swaziland, Tanzania, and Zambia. Extradition treaty negotiations are under way with Zimbabwe. In addition, we are parties to various binding and nonbinding bilateral counternarcotics agreements with Botswana, Burundi, Cameroon, Cape Verde, Chad, Cote d'Ivoire, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Liberia, Madagascar, Mali, Mauritania, Niger, Nigeria, Senegal, Swaziland, Togo, Uganda, Zaire, Zambia, and Zimbabwe, among others. In the case of Nigeria, we have a binding mutual cooperation agreement for reducing demand, preventing illicit use and combatting illicit production and trafficking in drugs, which entered into force in 1989. We continue to seek ways to strengthen our cooperative agreements and relationships with all African governments through bilateral agreements as well as through other channels.

Question for the Record Submitted to Robert Gelbard  
by Ms. Ros-Lehtinen  
House International Relations Committee  
October 31, 1995

AFRICA SPECIFIC

12. Earlier this year, Nigeria was decertified because of the government's failure to cooperate with U.S. interdiction and investigation efforts. Following this decision, the State Department went into a holding pattern, stating that it had adopted a "wait and see" attitude.

Are we still waiting? What kind of progress has been made? Once again, I would like to deal with specific, measurable results and not in generic terms.

A. Nigeria was not certified in March 1995 based on an assessment that it had failed in 1994 to make significant progress in meeting the goals and objectives of the 1988 UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

In order to qualify for full counternarcotics certification, a country must take meaningful and committed action against narcotics trafficking and narcotics-related criminal activity. The Foreign Assistance Act's narcotics chapter identifies key areas of counternarcotics performance that are considered in the certification determination. These include the performance areas identified in the 1988 UN Convention. With respect to Nigeria, the U.S. has identified the following areas to be of particular concern:

- effective implementation of the drug control strategy and actual disbursement of an adequately funded budget;
- development and safeguarding of intelligence and evidence regarding major traffickers;



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- cooperation to expedite to the fullest extent permitted by Nigerian law the rendition of all traffickers whose extradition has been requested; and
- significant movement against narcotics-related corruption by senior officials who collaborate with drug traffickers.

As we see it so far, there is a counternarcotics strategy but no budget disbursed; there is some evidence of safeguarding of intelligence and evidence but not a great deal; extraditions are not being carried out with much vigor and some are, in fact, being effectively stonewalled; and there has been no significant movement against narcotics-related corruption. The 1996 certification report will cover achievements throughout 1995 and will address these issues in greater detail.

On the more positive side, Nigeria earlier this year announced decrees on advance fee fraud and other fraud-related offenses and money laundering which contain provisions addressing such crimes both within and through Nigeria and Nigerian financial institutions. Since that time, Nigerian authorities have moved to arrest and seize assets of individuals suspected of money laundering. For example, several senior bank officials are currently under detention and authorities have also shut down several car dealerships in Lagos that were suspected of involvement in drug-related money laundering activities.

Nigeria's new money laundering decree provides that no person shall make or accept cash payment of a sum greater than 500,000 Naira or its equivalent in the case of an individual or 2,000,000 Naira or its equivalent in the case of a corporate body. Transfers of more than \$10,000 to or from a foreign country must be reported to the Central Bank of Nigeria. The decree has further provisions designed to create information registers of individuals involved in exchange transactions and require that certain transactions be reported to the Central Bank, National Drug Law Enforcement Agency, and other judicial authorities.

Question for the Record Submitted to Robert Gelbard  
by Ms. Ros-Lehtinen  
House International Relations Committee  
October 31, 1995

AFRICA SPECIFIC

13. Due to successes in U.S. interdiction efforts, Nigerian-controlled trafficking organizations were forced to alter their methods and have since become more sophisticated. They constantly altered their courier routes and methods of concealment.

Have U.S. agencies been able to decipher these new patterns? What are they?

What is the profile of the Nigerian recruits? (male/female; age; country of origin, etc.) Is there a specific pattern as to who is used for what route and for what purpose?

A. U.S. law enforcement agencies are constantly seeking new ways to detect and deter narcotics trafficking. We do not believe that we know each method currently used for illicit narcotics trafficking. Seizures from Nigerian nationals have declined since 1993, after suspension of direct flights from Lagos to the United States. Evidence suggests, however, that Nigerian trafficking organizations are simply recruiting other nationals as couriers and that the couriers are carrying larger quantities of narcotics.

Question for the Record Submitted to Robert Gelbard  
by Ms. Ros-Lehtinen  
House International Relations Committee  
October 31, 1995

AFRICA SPECIFIC

14. Part of the problem in Nigeria and other countries in the region is that their law enforcement agencies are not trained and are not well-equipped to deal with this problem.

What is the U.S. doing to address this issue?

Are African representatives involved with the Department of Justice's ICITAP program, or DEA training programs, and/or other training and education efforts?

Of the funds allocated for law enforcement training and demand reduction, what percentage is planned for use in Africa?

A. In FY96, 17 percent of U.S. counternarcotics training programs and approximately six percent of demand reduction programs are scheduled for Africa. Under our collaborative agreement with the Commonwealth Secretariat in the area of demand reduction, it will provide most of the funding for Africa training and the U.S. will provide the training teams. In FY95, demand reduction training was concentrated in southern Africa. Next year's programs will focus on South Africa and the west African region.

In 1995, DEA provided two training courses in South Africa on asset forfeiture and basic drug enforcement. In FY96, DEA counternarcotics training is currently planned for participants in or from Benin, Cameroon, Ethiopia, Ghana, Kenya, Liberia, Mauritius, Nigeria, Senegal, Swaziland, Togo, and Zimbabwe. ICITAP is currently working in Burundi and Rwanda.

Question for the Record Submitted to Robert Gelbard  
by Ms. Ros-Lehtinen  
House International Relations Committee  
October 31, 1995

AFRICA SPECIFIC

15. Have DEA and other Federal agencies been able to identify organizations in the U.S. that the Nigerians work with? If so, how many and what is the extent of their operations?

A. The U.S. has identified some of the Nigerian criminal organizations in the United States. We estimate that there are more than 100, with operations in Chicago, New York, Houston, Baltimore, Atlanta, Washington, D.C., and elsewhere.

AFRICA SPECIFIC

16. Other than Chicago what other U.S. cities serve as hubs for Nigerian narcotics trafficking? Why have these cities been chosen?

A. Cities where Nigerian criminal enterprises operate, such as Chicago, New York, Houston, Baltimore, Atlanta, and Washington, D.C., were most likely chosen for easy access to international travel routes and sophisticated financial infrastructure.



Question for the Record Submitted to Robert Gelbard  
by Ms. Ros-Lehtinen  
House International Relations Committee  
October 31, 1995

CUBA SPECIFIC

1. In the aftermath of the infamous Ochoa-De La Guardia trials which took place in Cuba in the 1980s; of past joint investigations in Florida on the issue and the evidence submitted to Senate investigators; in the shadows of the Robert Vesco situation; and in lieu of the defection of Castro government officials knowledgeable of trafficking activities in Cuba, what sort of intelligence does the U.S. have on the Castro regime's level of involvement in the illegal drug trade?

Has the U.S. government conducted an investigation of Castro's source of revenues and has any evidence been found that these are derived from the illegal drug trade?

A. Drug trafficking vessels evade U.S. and Caribbean law enforcement agencies by entering Cuban territorial water. Traffickers are well aware of the lack of law enforcement cooperation between Cuba and the U.S. Cuban counternarcotics forces have had sporadic success in interdicting traffickers.

Since the celebrated trial and execution of senior military and Ministry of Interior officials on corruption and drug-related charges, the Cuban government has insisted it has no evidence of drug-related corruption. We suspect that some corrupt officials may facilitate drug trafficking in Cuba, but we are unable to determine the level of corruption.

The Department of Justice, the F.B.I., and the intelligence community are better able to answer your question regarding a possible investigation into Castro's sources of revenue.

Question for the Record Submitted to Robert Gelbard  
by Ms. Ros-Lehtinen  
House International Relations Committee  
October 31, 1995

CUBA SPECIFIC

2. In the past, Castro government officials were responsible for organizing structures in the Western Hemisphere to conduct drugs for arms, or drugs for money to buy arms, trades to supply guerrilla movements in these countries with weapons.

What information does the U.S. have on this mechanism? Is the Castro government still active in the Western Hemisphere or has the focus shifted to other regions?

A. We have had no recent reports that would support allegations that Cuban government officials are organizing structures to trade drugs or drug-money for arms to supply guerrilla movements in this hemisphere. Nor do we have information confirming Cuba is engaged in activities of this kind in other areas of the world.

Question for the Record Submitted to Robert Gelbard  
by Ms. Ros-Lehtinen  
House International Relations Committee  
October 31, 1995

CUBA SEPCIFIC

3. If curtailing the spread of illegal narcotics trafficking and preventing further penetration of these drugs into the U.S. is categorized as a national security interest, does Cuba's involvement in the drug trade not constitute an affront to U.S. policy and a violation of American security?

A. Cuba's airspace and territorial waters are used by drug trafficking aircraft and vessels to evade detection by U.S. and Caribbean law enforcement forces. We suspect that some corrupt officials of the Cuban government may be facilitating drug flow; however, we are unable to determine the degree and level of drug-related corruption. Since the 1989 trial and execution of senior military and Ministry of Interior officials on corruption and drug charges, the Cuban government has insisted it has no evidence of drug-related corruption. Cuba's inability to guard its coast and airspace can be ascribed, in part, to its paucity of resources and its lack of hands-on cooperation with other Caribbean law enforcement efforts.

Question for the Record Submitted to Robert Gelbard  
by Ms. Ros-Lehtinen  
House International Relations Committee  
October 31, 1995

CUBA SPECIFIC

4. We understand that there are Cuban-owned or joint venture companies which are involved in the circumvention of U.S. products to Cuba through Panama.

What, if any, is the correlation between drug activities and these companies operating out of Panama?

Furthermore, what is the relationship between these Cuban-owned and joint venture companies to money laundering activities throughout the Colon Free Zone in Panama?

Are these corporations considered suspect companies by the U.S. Customs Service and DEA with respect to the operations of the drug cartels in Latin America?

Does this situation not constitute a dual violation of U.S. laws?

Are purchasing agents in Panamanian corporations employed by the Castro government for this dual purpose? Is there any evidence of direct involvement by officials of the Castro regime?

A. There have been indications but no concrete evidence that companies in Panama may be passing U.S. products to Cuba. It is true that Panama's Colon Free Zone does not have controls that would allow its administrative unit to monitor and detect abuses such as drug trafficking and money laundering. At our urging, the Government of Panama is taking steps to establish controls on these abuses in the Colon Free Zone.

International criminals can exploit many areas of crime: contraband smuggling, drug trafficking, and money laundering. The proceeds of various crimes are often commingled, thereby making it difficult to determine their

origin. For this reason, we are urging Panama and other governments that have criminalized laundering of drug-related proceeds to extend criminalization to include laundering of all illicit proceeds.

DEA and U.S. Customs should be able to respond to your questions regarding those agencies' knowledge of possible circumvention of U.S. law by Panamanian companies, individual purchasing agents, and the Cuban government.



Question for the Record Submitted to Robert Gelbard  
by Ms. Ros-Lehtinen  
House International Relations Committee  
October 31, 1995

CUBA SPECIFIC

5. Since Cuban laws dictate that these corporations have to be in joint ventures or are actually controlled by the Cuban government to do business in and with Cuba, the question to be determined is the level of knowledge of Fidel Castro and his government officials with regards to the true nature of the corporations' activities -- i.e. narcotics trafficking and money laundering.

What is the U.S. position with regards to statements by Fidel Castro that he is not aware of any involvement in the illicit drug trade by his government officials?

In view of Cuba's closed society and Castro's omnipresence at all levels of Cuba's infrastructure, can Fidel Castro plead ignorance to widespread government participation in the narcotics trafficking network?

A. As you mentioned, Cuba's society is closed, which makes it extremely difficult to determine the degree to which drug traffickers are using Cuban territory. Cuba's airspace and territorial sea are frequently used by drug traffickers. We suspect that some corrupt officials may facilitate drug trafficking in Cuba, but we are unable to determine the level or degree of corruption. Since the 1989 trial and execution of senior military and Ministry of Interior officials on corruption and drug-related charges, the Cuban government has insisted its officials are not involved in drug trafficking.

We acknowledge Fidel Castro's pervasive influence at all levels of the Cuban government; however, given the closed nature of Cuban society and our restricted contact with Cuban

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officials, it is not possible for us to confirm or deny Castro's statements that he is not aware of any involvement in the drug trade by Cuban government officials.

Cuban law enforcement units have had some success in interdicting drug traffickers, and in informal communications they have expressed willingness to cooperate on counternarcotics law enforcement.

Question for the Record Submitted to Robert Gelbard  
by Ms. Ros-Lehtinen  
House International Relations Committee  
October 31, 1995

CUBA SPECIFIC

6. It has been brought to my attention that Panamanian authorities working jointly with U.S. Customs Service last Friday, October 27th, arrested and extradited to the U.S. two individuals accused of laundering over five hundred million dollars. It is alleged that the organization which they belong to is closely linked to individuals and corporations trading with Cuba from the Colon Free Zone.

Can you confirm this? Is this allegation being addressed in the investigation?

Does the evidence appear to substantiate such a claim?

Are such organizations being used to transport cash from New York to Cuba via containerized shipment of goods that are transported through Panama and then to Cuba?

A. The two accused money launderers to whom you refer have been fugitives since July 1992 based upon charges brought by the Southern District of New York. Only one of the two was extradited to the U.S. The other is a Panamanian citizen and will be tried in Panama. As in many countries, it is against Panamanian law to extradite its nationals.

As your questions involve information about an ongoing investigation, I refer you to the Department of Justice and U.S. Customs.

Question for the Record Submitted to Robert Gelbard  
 By Mr. Hamilton  
 House International Relations Committee  
 October 31, 1995

I. GENERAL

1. An op-ed by Zoe Baird last week in the Wall Street Journal after the President's announcement at the United Nations opines that the President's actions indicate that we have reached a new stage in our counternarcotics policy -- i.e., that crime and narcotics have truly become foreign policy issues -- and raises a series of questions about what that means in terms of implementation.

- Now, successive Administrations have claimed that narcotics was an integral part of our foreign policy: how does this Administration's policy raise the priority of the issue in our overall foreign policy?
- Ms. Baird's piece also points out the increased potential for interagency squabbling as agencies that are not traditional "foreign policy" agencies become more involved -- a trend we have been seeing for many years. How will this Administration overcome this problem.

A. In the post Cold War era, international organized crime -- including illegal drug trafficking -- has attained increased importance in terms of its threat to American well-being and civilized society around the world. The President's crime initiative, announced at the U.N., recognizes this and contains specific U.S. and international measures to address it. Controlling drug trafficking is one component of the larger problem which the Administration is now seeking urgently to address.

Administration agencies such as Treasury and Justice are increasingly involved in countering international crime before it reaches the United States. While the State Department in the foreign arena is charged with foreign

policy development, implementation and coordination, we are drawing heavily on the expertise of other USG agencies, especially in terms of overseas training programs. Since these programs take place outside of the continental U.S., it is the Department's responsibility to ensure that they are well-coordinated in terms of policy and resources. Considering all the players involved, growing pains are only natural. However, in terms of the big picture and overall objectives, Administration agencies are in accord.



Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

I. GENERAL

2. I was extremely pleased that the President announced last week that we are prepared to impose sanctions on countries that are not controlling effectively the use of their territory and financial systems to prevent money laundering. I have long supported more vigorous, concerted efforts against money laundering as the most effective way to hurt criminal enterprises, particularly trafficking organizations.

- There has been a lot of speculation in the press about which countries we may be looking at sanctioning: can you tell us which countries are currently our top priority?
- What specifically are we telling each of these countries they need to do to avoid sanctions?

A. There are several key components of the initiative announced by the President, including the decision to invoke sanctions against those countries and/or institutions which are determined to be egregious offenders with respect to money laundering.

The Department of the Treasury is leading this effort, working in collaboration with State, Justice and other relevant agencies.

The President has required the interagency community to identify and focus on those countries that are the most egregious safehavens for illicit proceeds and to enter into negotiations with those countries to end that status. If these negotiations ultimately prove to be unsuccessful, the President will consider appropriate sanctions against these countries. Analysts are currently assessing the scope of the

money laundering problem globally. Beyond the relative priority generated by this analysis, the next step will be to determine the root(s) of the money laundering problem in each country (e.g., lack of laws and policies, weak enforcement, lack of political will, lack of cooperation by the financial community, etc.). This will then form the basis for negotiations with these countries.

The contemplation is that the interagency working group will have its preliminary analysis completed in early January, and will forward to senior policymakers a list of countries that should be targetted together with supporting documents. However, this document will likely not be made public, given that the Presidential directive mandates consultation with egregious offenders.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

I. GENERAL

3. With respect to last week's executive order on assets of individuals and companies associated with the Cali Cartel, are we currently examining whether it should be extended to other major trafficking organizations and individuals?

A. PDD-42 provides that actions against those associated with significant foreign narcotics traffickers centered in Colombia and taken pursuant to the Executive Order and other legal authorities should be ongoing and expanded as the evidence may warrant. It further states that additional major international criminal organizations may be designated, after obtaining authority from the President, when the evidence warrants. Since PDD-42 was signed, the Department has reached out both within the building and to all posts requesting that all remain especially vigilant in their monitoring of information and intelligence that could lead to the naming of other targets. We have likewise requested that Embassy Bogota obtain additional information in country that could lead to the designation of additional targets.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

I. GENERAL

4. The President also announced last week that new legislation was being compiled by the executive branch to address more effectively organized crime, and, presumably, narcotics trafficking.

- Can you provide the Committee with any details on what types of statutory enhancements you will be seeking?
- One of the components of the President's proposal is an increase in the level of overseas assistance and training focusing on combatting organized crime. How much of an increase are you proposing?
- Who will be the lead agency for implementing this assistance program?

A. An interagency team that includes representatives from the Department of State, Department of Justice (chair), Department of the Treasury and the National Security Council has been meeting since PDD-42 was signed to begin work on a legislative package that would improve the ability of the U.S. Government to investigate and prosecute organized criminals, including narcotics traffickers. Each agency was invited to submit a broad array of proposals for consideration. Those proposals, some of which are clearly more viable than others, have been circulated to the other agencies for comment so that the final package of proposals to be put forward will contain only those that will achieve the greatest positive effect without imposing unreasonable burdens. It would be premature to comment on what proposals this final package will contain.

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Once our FY96 appropriation is finalized, we will be able to determine how best to make these increases with the limited levels of resources from the Foreign Operations Bill. Only when the Administration has determined the overall ceiling for Function 150 levels for FY97 will the Department be in a position to determine how best to allocate training and assistance levels, including to what level we should increase our counter-crime training programs.

We intend to create a U.S. Government International Criminal Justice Training and Assistance team to coordinate overall policy development. The Department of State (chair), the Department of Justice, the Department of the Treasury and the Agency for International Development would serve as the core policy group, while the State Department's anti-terrorism assistance program (ATA) and the Central Intelligence Agency's counternarcotics center (CNC) would be consultative members.

The team would be charged with several responsibilities: to develop strategic goals for crime and counternarcotics training programs; to approve country-specific operational objectives; to identify priority countries for receipt of training assistance; to make broad decisions concerning allocation of training funds and resources to specific countries and geographic regions; to provide final approval for training assistance plans proposed by U.S. Government agencies; and to serve as the appropriate body to develop budget recommendations for these purposes in future years.



Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

I. GENERAL

5. While I was pleased with the President's statement at the United Nations, I understand that the new Administration heroin strategy which, we were told at the last narcotics hearing the Subcommittee on Asia and the Pacific held in late June, would be signed "any day" has still not been signed by the President.

-- Now, "any day", even if interpreted loosely, doesn't seem to extend to three months: why exactly hasn't the strategy been signed yet?

A. The heroin strategy was signed by the President on November 21.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1994

I. GENERAL

6. I have long been interested in the coordination, or lack thereof, of the wide variety of police training programs conducted by the United States. Given that narcotics-related training is a significant portion of our overseas training effort, I would be interested in your observations on the coordination and effectiveness of the training we are providing.

-- Who is responsible for coordinating the training provided by the various U.S. enforcement agencies involved?

-- How, if at all, is the training coordinated with training that may be provided under other authorities of law, by other agencies, and for other purposes?

-- Can you give me your assessment of how the effort to establish the regional training center in Budapest has gone?

A. My bureau is responsible for coordinating both counternarcotics and general anti-crime training abroad. Policy and resource priorities, in accord with USG foreign policy objectives, are set through the inter-agency process. The Deputy Secretary of State has also asked me to lead our efforts to maximize law enforcement and AOJ cohesiveness and coordination in cooperation with the other agencies involved, especially Justice, Treasury and AID. Training conducted abroad by the range of agencies is also vetted and coordinated at the country team level. The ILEA in Budapest is now fully operational; we are already seeing the benefits from the relatively small investment we have made in this important project. In fact, it has been so successful that we are now reviewing the possibility of a similar academy for Latin America.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

I. GENERAL

7. The U.S. is supporting -- albeit only recently -- fairly extensive rule of law programs throughout Eastern Europe and the former Soviet Union that focus on updating criminal codes and enhancing the capability of prosecutors, courts, and law enforcement officials to deal with the ever-mounting organized crime problem.

-- What, if any, practical effect have such programs had in the region?

-- In your view, should we be devoting more resources to these efforts?

A. In November, I led an interagency delegation to Poland, Hungary, and Russia to review progress on our training initiatives. Throughout the course of our meetings with senior law enforcement officials in these countries, we repeatedly heard very favorable comments on the training received and requests for more training.

The practical effect of our rule of law programs has been to provide officials in the justice sectors of the governments of Central Europe and the New Independent States the benefit of U.S. codes, legal review of host governments' draft legislation, training of prosecutors and judges, and contact with experienced U.S. prosecutors, judges, and lawmakers. This assistance is helping to create in these countries a body of law and a group of people to enforce and prosecute the laws that will promote democracy and protect the rights of the individual.

Question for the Record Submitted to Robert Gelbard  
By Mr. Hamilton  
House International Relations Committee  
October 31, 1995

I. GENERAL

8. The Administration is in the process of compiling its preliminary list of major narcotics producing and transit countries, as required by the Foreign Assistance Act.

-- Can you give us some feeling for the possible additions to or deletions from the list.

A. Since the possible additions are still under review, we cannot give a definite reply as to which countries may be added to the list. We do not, however, expect any deletions.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

I. GENERAL

9. What is the current situation in the U.S. courts following the recent Appeals Court ruling that the role of the Secretary of State in extradition is unconstitutional and the subsequent halt to all pending extradition cases?

-- Has the halt in extradition proceedings negatively impacted any cases we have pending before foreign courts?

A. On August 31, 1995, the U.S. district court for the District of Columbia declared the statute governing U.S. extradition practice unconstitutional. On September 15, the district court issued a nationwide injunction prohibiting the surrender of persons to foreign countries pursuant to the U.S. extradition statute. On September 29, 1995, the U.S. Court of Appeals for the District of Columbia Circuit granted the government's motion for a stay pending appeal of the district court's nationwide injunction against extradition. The district court's decision declaring the statute unconstitutional is on appeal before the U.S. Court of Appeals. Appellate argument in the case is currently scheduled for January 12, 1996. While the case is on appeal, extradition proceedings against individuals other than the named plaintiffs in the underlying case continue under the existing statutory scheme.

At the time of the District Court's September 15 decision, the U.S. Government was greatly concerned that a



failure of the United States to fulfill its treaty obligations to extradite fugitives would badly damage the United States' credibility in international law enforcement and put at risk U.S. requests to foreign governments for the extradition of fugitives to the United States.

Fortunately, the U.S. Court of Appeals for the District of Columbia Circuit's expeditious granting of a stay of the September 15 order permitted the United States to continue to fulfill its treaty obligations during the pendency of the Court of Appeal's review. Although there remains some lingering misunderstanding in some foreign courts about the effect of this litigation on U.S. implementation of extradition treaties, the Court of Appeal's action greatly protected U.S. interests in its extradition requests to foreign countries.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

A. COLOMBIA:

1. We have long had problems in implementing an effective evidence sharing arrangement with the Colombians -- primarily under the last Prosecutor General -- for the most part in adequately protecting the sources of information and ensuring that the information we provide is not used improperly.

- Have those problems been resolved?
- What is the status of the sharing of evidence with the Colombians on the Cali cartel leaders that have been arrested?
- Do we believe that U.S.-provided information will be necessary to obtain convictions in Colombia of the Cali cartel leaders?

A. No, our problems with the Colombian government regarding evidence-sharing issues have not been resolved. We continue to cooperate on cases which occurred before the suspension of the evidence sharing agreement went into effect in 1994. The State Department and the Department of Justice continue to work with the Colombian government to obtain a mutually acceptable resolution to this issue.

Regarding the status of evidence sharing on particular cases, it would be better to direct those questions to the Department of Justice. However, I am informed by DOJ that any cooperation we had regarding investigations against Cali syndicate members which predate the suspension of the evidence-sharing agreement will continue.

We believe that the Colombian government has the capacity, as a result of intensive investigatory efforts and documents which were obtained in raids against the Cali syndicate, to make strong, effective cases against the criminals who are members of the Cali narcotics syndicate.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

A. COLOMBIA:

2. Earlier this year, President Samper appointed a special commission to review the use of the surrender decree, a continual sticking point in narcotics relationship. The use, or misuse, of the surrender decree gains even more importance now that the Colombians have successfully captured most of the Cali Cartel leadership.

- Has that commission made its recommendations yet?
- If so, what were they?
- Do we have any faith that the Government will implement these recommendations?
- What will be our position with respect to continued narcotics and other cooperation if use of the surrender decree is not significantly reformed?

A. We were informed that Prosecutor General Valdivieso issued guidelines to Colombian prosecutors in May, based on recommendations made by a Presidential commission on the issue of surrender negotiations. The guidelines direct prosecutors to take the position that surrender benefits for sentence reductions contemplated by Law 81 of 1993 are not automatic and that certain criteria must be met before prosecutors may agree to reductions in sentences during plea bargaining negotiations.

We have constantly raised the issue of surrender negotiations with the Colombian government, stating that, as in the U.S., this is a tool which can be effective in obtaining hard evidence against higher level criminals. We have also made it very clear that we do not believe that high-level criminals, such as those from the Cali cartel currently in jail, should benefit from this tool. We expect that, in dealing with the members of the Cali syndicate

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currently in jail, Colombian prosecutors will, consistent with these guidelines and Colombian law, seek sentences which reflect the gravity of their crimes. We will review each situation on a case-by-case basis and respond appropriately.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

A. COLOMBIA:

3. One of the oldest and largest U.S. administration of justice programs is the program in Colombia.

- To date, how much money have we spent on this program?
- What concrete results in terms of judicial reform, increased convictions, increased effectiveness of the courts, etc., can we point to in assessing the effectiveness of this program?

A. The Agency for International Development manages this program and informs me that roughly \$18 million of the original \$36 million in this project, which began in 1991 and is due to end in 1997, has been disbursed. I would refer you to AID for specific information regarding the management of this program and for any additional information regarding its effectiveness.



Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

A. COLOMBIA:

4. Colombia, in addition to being a major producer of coca, opium, and marijuana, and the source of the vast majority of cocaine produced, is also a major money laundering country. Yet, Colombia has instituted no controls on currency transactions, and, in fact, money laundering is not a crime in Colombia.

- What does this lack of action on the money laundering front tell us about the Colombian Government's resolve on narcotics issues?
- Does the Colombian Government have any plans for controlling illicit financial transactions?
- Is Colombia one of the countries we will be considering for sanctions pursuant to his speech at the United Nations?

A. Earlier this year, the Colombian congress passed legislation criminalizing the activities associated with money laundering. Since July of this year, five Colombian banks, including Colombia's largest financial institution, have been fined for failure to report suspicious activities as defined by the anti-money laundering law. Additionally, Medellin trafficker Leonidas Vargas recently was convicted of laundering his drug assets and sentenced to 26 years in prison, fined \$5.3 million, and had his assets seized.

On October 22, we announced that sanctions would be placed on Colombian companies owned or controlled by individuals who are members of the Cali narcotics syndicate. The Clinton Administration reserves the right to add more companies and individuals to this group as they are identified.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

A. COLOMBIA:

5. Last year's INCSR notes that the Colombians have not brought into force the mutual legal assistance agreement with the United States.

-- Have they brought the agreement into force yet?

-- If not, why not?

A. Currently a mutual legal assistance agreement between the U.S. and Colombia is not in effect. An agreement was signed by our two countries in 1980 and ratified by the U.S. Congress in 1982. As a result of certain outstanding constitutional questions, the agreement has not yet been ratified by the Colombian government.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995  
(Updated to Include Information a/o 12/27/95)

B. BOLIVIA

1. I was pleased to see that the Bolivians have made progress in the two outstanding issues in our narcotics relationship: meeting the eradication target we set for June and signing a new extradition treaty.

-- Do you believe that the Bolivians will meet the overall target for coca eradication for this year contained in our bilateral agreement and their domestic law?

A. The Government of Bolivia set a target of eradicating 5,400 hectares of productive coca by December 31, 1995, in compliance with its anti-drug statute (Law 1008). We have encouraged the Bolivian government's efforts to implement that law, which mandates the eradication of 5,000-8,000 hectares of mature coca per year. The Bolivian government reported on December 22 that it had met the 1995 target, with 5,493 hectares of coca destroyed, primarily through voluntary, compensated eradication (there was also some involuntary, compensated eradication). We continue to support directly the Bolivian government's efforts on this front, as well as on the development and implementation of an effective, long-term strategy that will result in a progressive net decline in coca cultivation and coca leaf production.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

B. BOLIVIA

2. If the Bolivians meet their coca eradication target this year -- for only the second time in the past decade -- do you believe that they should be fully certified in March?

-- If not, what other outstanding issues are there in our narcotics relationship that need to be addressed?

A. If Bolivia meets its eradication goal by December 31, it will have effectively demonstrated that it is cooperating on the most critical joint narcotics objectives. Other issues, such as the implementation of effective money laundering and asset forfeiture legislation are being addressed. The coordination and articulation of specific criteria for certification, particularly with regard to eradication, will continue in 1996 under any circumstances. The certification process involves continuous consultation with the governments concerned, and has helped produce notable results in key drug source and transit countries, including Bolivia.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

B. BOLIVIA

3. The primary change in this Administration's international narcotics control strategy has been the so-called "controlled shift" in emphasis to assistance to the source country, primarily in the provision of detection and monitoring assistance. This shift was based on the premise that detection and monitoring, coupled with interdiction, would be more effective if concentrated in the source countries rather than spread out over the myriad transit routes.

- Do we provide any detection and monitoring assistance to the Bolivians?
- Why not?
- Given the Bolivians willingness to cooperate fairly vigorously on enforcement efforts, do you think that a detection and monitoring program would have enough impact to be useful?

A. We have provided only sporadic detection and monitoring (D&M) assistance to the Bolivians over the course of the last four years for a variety of reasons. Colombian drug trafficking organizations historically flew into Bolivia's Chapare coca-producing region to pick up cocaine base for processing into cocaine. In response to this threat, the Government of Bolivia launched operation "Ghost Zone" in 1992, which challenged trafficker access to the Chapare and effectively disrupted and dispersed their operations. Traffickers began moving cocaine base out of the Chapare overland and via river to widely dispersed processing sites. Current investigative information reveals that cocaine commonly is moved in small quantities aboard private aircraft from Bolivia to Brazil, and via river and land routes to



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Paraguay, Argentina and Brazil. Moreover, unlike Peru and Colombia, which confront a consistent air trafficking threat, Bolivia has no air intercept capability with which to respond to detected trafficker flights, further limiting the utility of devoting extensive U.S. D&M resources to Bolivia.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

B. BOLIVIA

4. What is the status of judicial assistance programs in Bolivia?

- Are we still providing this type of assistance?
- Are any other bilateral or multilateral donors, such as the United Nations Drug Control Program?
- What if any impact has judicial assistance had on the ability of the Bolivian courts to prosecute effectively narcotics cases?

A. Both the Department of State and U.S.A.I.D. provide assistance to the Bolivian justice sector designed to improve judicial efficiency and accountability, in general, and Bolivia's track record on drug-related prosecutions, in particular. To this end, the Bureau of International Narcotics and Law Enforcement Affairs has supported Bolivia's special drug prosecutors since 1987. These prosecutors -- a group that has grown from five to thirty in the last four years -- are charged with the enforcement of violations under Bolivia's anti-drug statute (Law 1008). They are assigned to controlled substance courts and to Bolivia's Special Anti-Narcotics Force (FELCN), where they direct narcotics investigations, oversee case preparation, and prosecute those cases. U.S. support, including the introduction of a case tracking system developed with assistance from U.S.A.I.D., has been essential to the professionalization of these prosecutors, and their enhanced effectiveness in prosecuting drug cases.

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The Administration of Justice program administered by U.S.A.I.D. and the Department of Justice includes police training, and technical assistance to the Attorney General's office and the Ministry of Justice in support of these goals. Meanwhile, UNDCP has proposed a project which would provide additional assistance to the Attorney General's office and the Ministry of Justice that would be integrated with ongoing bilateral efforts.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

C. PERU

1. Can you provide us with an update on how the \$30 million in prior year ESF for Peru that the Congress agreed to release earlier this year is being spent?

-- Have the Peruvians made any progress this year on eradication or reduction of mature coca?

A. The \$30 million in ESF has been obligated through a bilateral agreement with the Government of Peru (GOP) to implement an ambitious program to reduce coca cultivation at the community level in exchange for alternative development projects. The collapse of the coca market, due to the efforts of the Peruvian Air Force in cutting the aerial pipeline, has forced coca farmers to seek alternatives to coca. Survey work to determine the amount of coca in each community is ongoing, and will be the basis for negotiating individual community agreements to reduce coca in exchange for alternative development support.

We have emphasized the importance of eradicating mature coca cultivations, but the GOP continues to resist taking this difficult step, fearing a violent reaction from coca communities. The GOP has cited the widespread abandonment of coca cultivations due to the shutdown of the aerial cocaine base pipeline to Colombia as an effective coca reduction measure. President Fujimori stresses the importance of alternative development as an integral part of any coca reduction plan.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

C. PERU

2. President Fujimori earlier this year released a comprehensive counternarcotics strategy, something we have been pushing for many years.

-- How would you assess the progress made by the Peruvian Government in implementing that plan?

A. Although the law enforcement aspects of the plan are being implemented with regard to police and military actions against Peruvian narcotics trafficking organizations, the longer term aspects of the plan dealing with narcotics-related alternative development and mature coca reduction still lack detailed plans for implementation. The plan also calls for a ministerial-level Peruvian narcotics coordinator, a post which has not yet been created.



Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

C. PERU

3. Recent reports estimate that the U.S.-supported Peruvian air interdiction program has had the effect of shifting air trafficking around Peru's main air corridor.

-- Are these reports accurate?

-- If so, how, if at all, have we shifted our efforts to address new trafficking patterns?

A. The Peruvian air intercept effort has been very effective in shutting down the aerial narcotics traffic between Peru and Colombia. The aerial intercept program has discouraged traffickers from buying coca leaf and cocaine base from Peruvian coca farmers, thereby collapsing prices from approximately \$80 to \$7 per 25 pounds of coca leaf. Some trafficking aircraft have attempted to use Brazilian airspace to evade Peruvian interceptors, but USG-provided aerial tracking intelligence has been refocussed to provide Peruvian interceptors more time to force down trafficking aircraft before they reach Brazilian airspace. The Government of Peru is currently discussing this problem with the Government of Brazil.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

C. PERU

4. In late 1993, early 1994, we moved the base of our operations out of Santa Lucia -- the base we constructed in the Upper Huallaga Valley -- to Pucallpa, in order to respond to the shift in trafficking patterns resulting from our joint enforcement efforts.

- What has been the impact of the shift in our operations to Pucallpa?
- Have the traffickers again shifted their operations as well?

A. Unlike the USG-supported Peruvian law enforcement operations which were based at Santa Lucia, Pucallpa only serves as a helicopter maintenance hub to support helo-borne law enforcement operations which occur at forward operating locations throughout the country. This allows more flexibility to respond to intelligence on narcotics trafficking operations, as well as to mount operations in diverse areas of the country simultaneously. It also eliminates the phenomenon of traffickers escaping a particular "sphere" of operations.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

D. MEXICO

1. A Los Angeles Times editorial earlier this year opined that President Zedillo may find it impossible to deal effectively with drug trafficking because it is so deeply entrenched in Mexican politics and because of the enormous impact on the economy of Mexico of the illegal narcotics trade.

-- What do you think of this assessment?

-- What do we estimate is the impact of the illegal narcotics trade on the Mexican economy: \$5 billion? More?

A. The U.S. experience shows that it is possible for a nation to combat organized crime and widespread corruption, although it takes considerable political will and years of concerted effort. The drug trafficking problem in Mexico is very serious, and the pervasiveness of narcotics-related corruption will make President Zedillo's task even more difficult. He has, however, taken a broad, institutional approach to the problem. He and Mexican Attorney General Lozano have focussed much of their energies during the first year of the Administration on reorganizing and reforming the law enforcement and judicial systems, to include measures to root out and prevent corruption (such as background checks, drug testing, etc.) and develop an expansive legislative reform package which will provide Mexican authorities the legal tools they need to combat sophisticated, modern, organized crime. This is a long-term effort. The USG endorses this approach and has offered a wide array of technical support.

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We don't know the full extent of the illegal narcotics trade or its impact on the Mexican economy. Certainly it is well into the multi-billion dollar range. We are working with the GOM on a number of fronts to learn more about how drug traffickers launder and invest the money generated by their many illicit activities so that we can better protect our financial systems from money launderers and seize those funds or assets.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

D. MEXICO

2. Official corruption -- particularly narcotics-related corruption -- has again surfaced as a major issue of concern in our bilateral relationship. However, the problem of corruption and political influence of narcotics traffickers in Mexico is by no means a new problem. We have been faced with this for decades. It just seems that because of NAFTA we have tried to ignore the enormity of the problem.

- What if anything has really changed in Mexico in terms of corruption?
- Do we really think the Mexicans are any more willing or able to deal with narcotics trafficking than they were, say, in the early 1980s?
- During the entire process of negotiating NAFTA, narcotics was -- as several U.S. Embassy employees put it -- a "flank" issue; did this overwhelming desire to conclude a free trade agreement with Mexico irreparably damage our long-term ability to address the narcotics problem on our border?
- President Zedillo has said recently that in order to try and address corruption in the police, he is considering creating a new, vetted, nationwide counternarcotics unit. Have we seen any indications that he is pursuing the creation of this type of unit?

A. Official corruption has been among the top concerns in our law enforcement dialogue with Mexico. It is precisely because of President Zedillo's acute concern about corruption that the Government of Mexico (GOM), particularly Attorney General Lozano, has mounted such high-profile investigations against key senior former GOM officials. In a sense, the problem appears to be more serious because of the revelations stemming from the GOM investigations and the increasingly open public debates in Mexico. There have been wholesale replacements of law enforcement and customs units.



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In the case of the state of Chihuahua - a major drug production and trafficking area where corruption among police is reported to be particularly severe - the Government of Mexico has taken the unprecedented step of placing the military in charge of the counternarcotics effort. This is a positive development and a sign that things are beginning to change in Mexico.

While narcotics trafficking was not directly related to the subject matter of the NAFTA negotiations, it was one of the important side (or "flank") issues taken into consideration by the U.S. Government in analyzing the Agreement's broader impact. U.S. experts from many agencies examined very carefully the potential impact of NAFTA on narcotics trafficking. Most concluded that, while the increased volume of legitimate traffic across the border would make it harder for inspectors to find concealed drug shipments through random inspections, the bulk of drug seizures had always resulted from intelligence leads, not from "cold hits". Also, to compensate for the increased flow, Customs has added more inspectors, dog teams and better equipment (such as tractor trailer-sized x-ray machines). With free trade, Customs inspectors could use the time and effort previously spent on enforcing tariffs and duties on law enforcement-related activities. We further anticipated that with NAFTA would come improved bilateral law enforcement cooperation with Mexican authorities, increased intelligence sharing, and so forth.

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In 1993, the GOM established a dedicated narcotics law enforcement force under the National CN Institute (INCD). President Zedillo is considering ways to enhance this further, such as establishing special military teams or national detection teams of highly-trained, carefully-selected officers. This is still under review.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

D. MEXICO

3. Despite the fact that Mexico is a major money laundering center, they have no controls on the movement of foreign currency and no mandatory reporting requirements for large currency transactions.

-- Given the enormous amount of illegal proceeds that are assumed to be moving through Mexico, why haven't the Mexicans instituted such controls?

A. Mexico does have some controls on money laundering, but they are inadequate. Thus, this fall President Zedillo submitted to the Mexican Congress a broad-sweeping legislative package, involving numerous enhancements to the criminal code; they include provisions to fully criminalize money laundering and impose controls on the movement of currency. Hopefully, the Mexican Congress will complete its review before it recesses for the year. Not surprisingly, there are many sectors of society, particularly the banking and financial sector, which oppose such controls or weakening of bank secrecy provisions that could drive away business and investors. The Zedillo administration is, however, committed to pursuing these changes.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

D. MEXICO

4. What is your assessment of whether NAFTA has had any impact on the extent of narcotics trafficking from Mexico to the United States?

A. Regarding NAFTA, we studied very carefully the potential impact of NAFTA on narcotics trafficking. USG agencies concluded that, while the increased volume of legitimate traffic across the border would make it harder for inspectors to find concealed drug shipments through random inspections, the bulk of drug seizures had always resulted from intelligence leads, not from "cold hits". Also, to compensate for the increased flow, Customs has added more inspectors, dog teams and better equipment. The National Guard often provides assistance. With the removal of tariffs, Customs inspectors are freed up to spend more time on law enforcement-related activities. We further anticipated that with NAFTA would come improved bilateral law enforcement cooperation with Mexican authorities, increased intelligence sharing, and so forth.

The U.S. stood to gain considerably more from NAFTA than it stood to lose. Even on the drug control front, there were benefits that outweighed the disadvantages. The Department of State, DEA, US Customs, DOD, FBI and other agencies are working closely with Mexico, and with Colombia, Peru, Bolivia and other countries, to interdict drug shipments and stop drug production before the drugs reach the U.S. border.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

E. CUBA

1. The Cuban Government's involvement in the facilitation of the drug trade had been documented by the indictment of top Cuban officials as well as by the testimony of individuals intimate with the Castro Government. During the hearing you stated that we "have a relatively limited base of information" about Cuba's involvement in the drug trade, but you suspected that because of Cuba's location that it is a player.

- Does the U.S. Government, through DEA, the U.S. Interests Section in Havana, or other resources currently pursue information about Cuba's involvement in the drug trade?
- If so, what information -- specifically -- have you pursued?
- If so, what information -- specifically -- have you found?
- If not, do you intend to pursue information about Cuba's involvement?

A. The USG has an extensive detection and monitoring program for the entire Caribbean which relies on information supplied by ground-based radar installations, Relocatable Over the Horizon Radar (ROTHR), airborne tracking, and corroboration from units of Operation Bahamas and Turks and Caicos (OPBAT). Our efforts have been focussed on the degree to which Cuban territory -- particularly its airspace and territorial sea -- has been used by drug traffickers.

Given the closed nature of Cuban society and the restrictions on contacts with Cuban law enforcement agencies, we are unable to determine with certainty the size and frequency of suspected trafficking flights over Cuba.



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We know that Cuban airspace is traversed by drug-trafficking aircraft flying from Colombia to the United States. There are instances in which trafficking vessels evade U.S. and Caribbean law enforcement agencies by hiding in Cuban territorial water.

Since the celebrated trial and execution of senior military and Ministry of Interior officials on corruption and drug-related charges, the Cuban government has insisted it has no drug-related corruption. We believe that some corrupt officials may facilitate drug trafficking in Cuba but we are unable to determine the level of corruption.

We use many sources of information, including DEA and our Interests Section in Havana, to develop a better understanding of the degree to which Cuba is used by drug traffickers. We intend to continue to use all available sources of information.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

E. CUBA

2. During the hearing you mentioned that DEA officials had showed you where Colombian trafficker aircraft hovered in Cuban airspace while waiting to move into Bahamian airspace. Obviously, you have information pertaining to the use of Cuban airspace for narcotics trafficking.

- What information -- specifically -- have you pursued?
- What information -- specifically -- have you found?
- What has the U.S. Government done to monitor the use of Cuban airspace for narcotics trafficking purposes?
- Do you intend to pursue information about the use of Cuban airspace for narcotics trafficking purposes?

A. Our efforts have been focussed on the degree to which Cuban territory -- particularly its airspace and territorial sea -- has been used by drug traffickers. Cuba's location on a direct line between Colombia and the eastern United States makes it a convenient route for trafficking aircraft. Given the closed nature of Cuban society and the restrictions on contacts with Cuban law enforcement agencies, we are unable to determine with certainty the size and frequency of suspected trafficking flights over Cuba.

The USG has an extensive detection and monitoring program for the entire Caribbean which relies on information supplied by ground-based radar installations, Relocatable Over the Horizon Radar (ROTHR), airborne tracking, and corroboration from units of Operation Bahamas and Turks and Caicos (OPBAT).

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

E. CUBA

3. The notorious fugitive Robert Vesco is known to be still in Cuba. In fact the Cuban Government several months ago claimed to have arrested him.

- Did, in fact, the Cuban Government arrest Mr. Vesco?
- Is he still being held and where?
- Has anyone in the U.S. Government ever asked to see Mr. Vesco?
- Do we intend to ask to see Mr. Vesco?

A. The Cuban government arrested Robert Vesco in June. He is still being held in Havana. The U.S. Interests Section has twice asked for consular access to Vesco in keeping with the Department's obligation to monitor the cases of American citizens who have been arrested abroad. Vesco has indicated through his attorney and other channels that he does not wish to have a U.S. consular visit. Nevertheless, the Interests Section is continuing to monitor Vesco's case through third parties.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

E. CUBA

4. Can you provide the Committee with a list of all known narcotics-related fugitives that we believe are in Cuba?

A. DEA advises me that it has information indicating that sixteen narcotics-related fugitives may have a possible presence in Cuba. The information that indicates that these fugitives may be in Cuba can be quite minimal. For example, the fugitive may be a Cuban national or have parents residing in Cuba. The fugitives on whom there are outstanding narcotics-related warrants are:

1. ABIAGUE, Orlando
2. AGUILAR, Sergio A.
3. BASSOLS-Suarez, Gonzalo
4. CONTRERA, Francisco
5. DEARMAS, Alexis Gonzalez
6. DUBOIS, Sergio
7. ENRIZUEZ, Jose Oberto
8. GONZALEZ, Mario Ismael
9. GUILLOT-Lara, Jamie Rafael
10. LLUIS, Alfredo
11. LOPEZ, Silvio
12. MARQUEZ,-Brito, Luis Alfonso
13. RAVELO Renedo, Fernando
14. SANTAMARIA,-Cuadrado, Aldo
15. RODRIGUEZ-Cruz, Rene
16. VESCO, Robert Lee

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

F. BRAZIL

1. As of earlier this year, Brazil had still not passed the implementing legislation required for compliance with the 1988 U.N. Convention, although it was introduced in 1991.

-- Have they enacted it this year?

-- If not, why have the Brazilians failed to enact this legislation after three years of consideration?

A. The Brazilian congress has not enacted implementing legislation this year that would bring them into compliance with the 1988 U.N. Convention. Several obstacles in the Brazilian congress have delayed the passing of legislation, including the corruption scandals dominating the Collor administration, the election and subsequent positioning of the Cardoso administration, and President Cardoso's ambitious plan to redirect Brazil's economic and foreign policy.

The Brazilian congress has passed organized crime and chemical control laws. The government is working on anti-money laundering legislation and a comprehensive counternarcotics law. President Cardoso instructed Justice Minister Jobim and Foreign Minister Lampreia to study the 1991 legislation, asserting that such analysis will help the congress to devise the best possible national counternarcotics legislation.



Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

F. BRAZIL

2. This year's INCSR indicated that cocaine refining may be shifting to Brazil due to Bolivian law enforcement efforts. Yet, in 1994, Brazil identified no cocaine processing laboratories.

- How much refining do we believe has shifted from Bolivia to Brazil?
- How do you explain the Brazilians' inability to find any processing labs?

A. We believe that some cocaine processing activity and transportation have shifted from Bolivia and several other countries to Brazil. For example, the recent discovery of a major cocaine refining facility in the Amazon region and two seizures of 250 and 600 kilograms in the Amazon attest to an increase in such activity there.

We anticipate that the Brazilians' ability to identify illicit activity (like the recently destroyed lab) and to counter such activity will improve as they train additional police and begin the ProAmazonas project. ProAmazonas involves stationing police along the Peru-Bolivia-Brazil border and elsewhere in Brazil.

The genesis of other information-sharing initiatives with Brazil will help the Brazilian law enforcement apparatus to identify increased narcotics refining activity there.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

G. CENTRAL AMERICA

1. Operation Cadence -- the interdiction program supported by the U.S. for the past several years -- appears to have had the effect of shifting cocaine transit from Guatemala, which had been the prime intermediate transit point, to other countries in Central America.

-- To what countries has the transit shifted?

-- Do we believe that transit has shifted significantly from air to other methods?

A. The success of Operation Cadence has indeed caused a shift in trafficking patterns and methods. There has been significant use of surface and maritime routes in and around Guatemala. We have also seen less emphasis placed on light aircraft capable of carrying loads of less than one ton. Large commercial cargo aircraft are being used to transport multi-ton shipments into Mexico.

Prior to Operation Cadence, Guatemala's hundreds of uncontrolled airstrips, its network of roads, and its location half-way between Colombia and the southwest border of the U.S. made Guatemala a lucrative transit point for light trafficking aircraft. These flights were virtually eliminated by U.S. and Guatemalan law enforcement units working in Operation Cadence. To continue Cadence's deterrent effect, it is critical that we maintain a state of vigilance and readiness in Guatemala.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

G. CENTRAL AMERICA

2. If I remember correctly, Cadence was supposed to be a regional program, shifting between the Central American countries as the transit shifted. However, to my knowledge, Cadence has never operated anywhere other than Guatemala.

- Has Cadence conducted operations anywhere else in the region?
- If not, why?
- Have we abandoned the regional concept?

A. DEA Cadence agents based in Guatemala were assigned to provide temporary training and operational assistance in Honduras, El Salvador, and Belize. The term "Cadence" applied to temporary deployments of DEA agents from the U.S. to the northern tier of Central America. These temporary deployments ended in October of this year; however, the air interdiction program the agents supported continues.

The air interdiction program that is often referred to as Operation Cadence was based in Guatemala because it provided a target-rich environment. Located half-way between Colombia and our southwest border, Guatemala's road network and its hundreds of uncontrolled airstrips made it ideal for drug transshipment. With the support of DEA agents and INL helicopters, Guatemala's Department of Anti-narcotics police have been extremely successful in intercepting light, drug-smuggling aircraft as their cocaine cargos were being transferred to small surface vehicles.

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Operation Triangle, a surge operation involving Mexico, Guatemala, and Belize, illustrated that the regional concept is very much alive. That concept will be applied to Mexico and the seven countries of Central America in Operation Unidos which is to take place this November and December.

In the past, INL aircraft based in Guatemala were frequently deployed to Belize. For the most part, however, INL aircraft remained in Guatemala which provided a much more target-rich environment than other countries in the region. A heightened state of vigilance against narcotrafficking needs to continue in Guatemala to deter traffickers from returning.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

G. CENTRAL AMERICA

3. We recently received another notification from the Department of Defense regarding transportation support over a three month period for Honduran counternarcotics operations. This is the fourth notification of this type of support over the last 18 months -- providing almost continuous Black Hawk support for that period. Yet, Honduras is not on the list of major producing and transit countries.

- Is Honduras in your estimate a major transit country?
- The last time we went through a pattern like this in Honduras, the 18 missions flown were all DEA operations. Do you know what types of operations -- and the outcome of those operations -- have been supported in the past 18 months?
- Do you believe that this is an appropriate allocation of limited DOD support or is it an effort to justify keeping U.S. forces at Soto Cano Airbase in Honduras?
- Is there any interagency coordination mechanism to ensure that this type of DOD support -- on a case-by-case basis -- is allocated to priority programs? Shouldn't there be?

A. There is land, maritime, and -- to a lesser extent -- airborne transit of drugs through Honduras; however, it is not on the list of major drug transit countries. There is little evidence to suggest drugs are transitting Honduras at a level that would justify its being added to the list of major transit countries.

I have been advised that the Blackhawk flights to which you refer were in support of DEA-sponsored training and marijuana eradication with elements of the Honduran government. There is minimal marijuana cultivation in



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Honduras. For a more detailed account of those flights, and for information regarding your questions about Soto Cano Airbase, DOD support flights, and DEA operations, I would refer you to the Department of Defense and the Drug Enforcement Administration.

The coordination of USG activities abroad is the responsibility of embassy chiefs of mission. Their country teams are the mechanisms most often used to coordinate interagency actions and priorities.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

G. CENTRAL AMERICA

4. The Colon Free Zone has been traditionally a hotbed of both cocaine transshipment and money laundering because of the loose controls on trade.

- Has the Government of Panama taken any action to stem the use of the CFZ for these purposes?
- What is our estimate of the illegal activity still conducted in the CFZ?

A. The Government of Panama is taking steps to clean up the Colon Free Zone, particularly with regard to money laundering. President Perez Balladares established a commission to develop and oversee implementation of money laundering controls. Although the commission has not implemented controls as quickly as we had hoped, we were pleased to note that Panama recently passed a new law that will enable a suspicious transaction reporting regime to be established for the country's banks and commercial institutions, including the Colon Free Zone.

Last year, the Administration of the Colon Free Zone and the users association established a code of ethics and conduct, by which the performance of prospective users of the Free Zone are evaluated. Law enforcement officials of Panama's Judicial Technical Police arrested several alleged money launderers this year. On October 27, two Zone users were arrested based on outstanding warrants from the Southern District of New York issued in July 1992. One of the two was extradited to the U.S. The other, a Panamanian national, will be prosecuted in Panama.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

G. CENTRAL AMERICA

5. What is the status of the administration of justice program in Panama?

- Has it in your estimate improved Panamanian judicial procedures and performance?
- By what standards are we measuring the effectiveness of this program?

A. USAID informs me that the administration of justice program in Panama is now in its last year of implementation, with a scheduled completion date of September 30, 1996. While the authorized level of funding was \$12 million, it has actually received only \$9,575,000 through USAID. The Government of Panama, in contrast, has provided almost \$1.4 million more in counterpart contributions than the \$3.9 million originally planned.

We believe that the project has contributed notably to strengthening judicial independence, improving the prosecution of criminal cases, and instilling a commitment to reform that will continue beyond the end of the project.

Judicial independence has been strengthened through the establishment within the judiciary of new systems -- for example, for the processing of cases and selection and training of personnel, including judges -- that permit and require the judiciary to take responsibility and be accountable for its own performance. Prosecution has been improved by the functional integration of the Judicial

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Technical Police (created with ICITAP support) with the Public Ministry, whose general development USAID has been supporting. As a result, there is now a much higher degree of compliance with procedural requirements by police in preliminary investigations and many fewer cases are dismissed for procedural errors. The project has also helped the GOP institute a system of public defense at the initial stages of a criminal proceeding, which is essential to protect defendants' rights in the face of a much more effective Public Ministry.

Finally, the project has supported local analysis of many aspects of the justice system and fostered a dialogue on judicial reform that, as in other countries, should become an ongoing part of the political process. Among other legislative initiatives, the project has supported the streamlining of criminal procedures through the introduction of preliminary hearings, direct trials and abbreviated proceedings.

USAID is in the process of arranging for an overall project evaluation, to be completed by March 1996, that will review project performance against the indicators established originally in the Project Paper.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

III. ASIA

A. BURMA

1. The United States has been supporting UNDCP subregional projects in and around Burma for the last several years, including law enforcement projects.

-- Can you provide details of what types of law enforcement projects in the region UNDCP has been supporting?

-- Who participates in these programs?

A. There was a law enforcement component to the three-year China-Myanmar project entitled, "Drug Abuse Control in the Border Areas of China and Myanmar." No funds from the United States designated for this general project were used for law enforcement support for Burma. We have instructed UNDCP that no US funding may be used for the law enforcement support in Burma. The project called for UNDCP-sponsored training and study tours for Burmese and Chinese officials. The final phase of the project also called for provision of communications equipment, laboratory equipment, surveillance equipment, and vehicles. No equipment for Burmese drug enforcement units was purchased with money provided by the USG for this project. Participants in the project were identified as the Police and Customs General Administration of China and the People's Police Force of Burma. UNDCP is also planning a three-year law enforcement project in China called, "Interdiction and Seizure Capacity Building in Yunnan



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Province, China." This project would improve drug enforcement capability on the Chinese side of the Sino-Burmese border. We are generally supportive of this project, especially those aspects that would provide more training to the Chinese drug enforcement authorities in interdiction techniques.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

A. BURMA

2. It is my understanding that Daw Aung San Suu Kyi, the recently released pro-democracy leader in Burma, has stated that we should cooperate with the SLORC on counternarcotics activities. Is that correct?

A. Aung San Suu Kyi, shortly after her release, indicated that limited counternarcotics cooperation with the current regime might be useful as a lever in inducing the SLORC to enter into dialogue on political reconciliation. In particular, she mentioned that training programs might be used to induce greater cooperation from the SLORC on political reconciliation issues. She also has given qualified support to assistance that improves the basic economic conditions among the ethnic minorities of Burma. UNDCP efforts in Burma are primarily focused on integrated rural development projects in ethnic minority areas.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

B. THAILAND

1. The Thai Government enacted asset seizure and conspiracy laws almost four years ago, after years of pressure from the United States, but have had problems bringing any cases to closure under this statute.

-- Have the Thais made any progress on this front this year?

A. Asset forfeiture cases continue to move very slowly through the Thai system. Members of the Property Examination Commission visited the United States in May 1995. At that time, they indicated that cases would move more quickly as the Thai gain experience in implementing these laws. In 1995, the Thai undertook the first successful prosecutions under the new laws which led to the conviction of four individuals under the conspiracy statute with resulting forfeiture of assets. We continue to urge the Thai to fully and effectively implement their asset seizure laws.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

B. THAILAND

2. What is the status of the draft money laundering legislation being developed by the Thai Government?

-- Do we think the legislation is adequate?

A. Draft money laundering legislation was introduced in parliament before the change of government in May 1995. The government of Prime Minister Banharn has indicated it will reintroduce the legislation without changes, but has not yet taken action. We believe the draft bill should be rewritten to include provisions for international information sharing and that the Thai should consider legislation to combat non-drug-related money laundering. The draft covers only drug-related money laundering.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995  
(Updated to include information a/o 12/26/95)

B. THAILAND

3. What is the status of our pending extradition requests for the ten major traffickers linked to Khun Sa that are currently in Thai custody?

A. Our extradition requests are still pending for the twelve traffickers linked to Khun Sa who were arrested in Operation Tiger Trap. We have repeatedly asked the Thai government to move forward on these requests and have been told by Thai authorities that further action will be forthcoming. On December 26, the Thai Supreme Court cleared the way for extradition of Thanong Siriprechapong, a former Thai MP who is wanted in the United States for marijuana smuggling. We hope that this ruling will result in Thanong's extradition within 90 days. We also hope that this action by the Supreme Court of Thailand will help the Tiger Trap extradition requests move forward. It has now been one year since the Tiger Trap arrests. To date, the extradition proceedings have been largely concerned with claims to Thai nationality on the part of the arrested traffickers. It is our understanding that these claims have now been resolved and the Supreme Court ruling on Thanong, who is a Thai citizen, should help speed resolution of the Tiger Trap cases.



Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

C. PAKISTAN

1. Pakistan was denied full certification this year because of weak enforcement efforts, particularly in the tribal areas that are the main centers of drug activity, increased poppy cultivation, and only modest efforts to address rampant corruption.

-- What is your assessment of Pakistan's counternarcotics performance this year -- particularly in the areas that led to the decision in March to deny full certification?

A. In 1995, Pakistan extradited the major trafficker Iqbal Baig and two of his top lieutenants, expelled another fugitive to the U.S., carried out a major poppy eradication campaign that resulted in a decrease in actual production, extended the poppy cultivation ban twice, conducted major operations against heroin processing plants in the Northwest Frontier Province (NWFP) and a hashish caravan in Baluchistan, and relieved several officers associated with the Anti-Narcotics Force (ANF) who had been accused of corruption. The U.S. Mission in Islamabad also reported that the Pakistani government plans a serious effort against poppy cultivation in the crop season that recently began.

Many of these actions took place prior to the visit of Prime Minister Bhutto last April. We continue to stress to the Government of Pakistan the need for additional progress in the year ahead, especially in the areas of dealing with corruption, enacting money laundering legislation, taking further action

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against heroin factories, continuing eradication of opium poppy plants, and improving counternarcotics cooperation with other countries in the region.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

C. PAKISTAN

2. We have seen a pattern over many years -- with successive Pakistani Governments -- of small bursts of cooperation on narcotics issues when we raise the profile of the issue. Unfortunately, none of these bursts of activity have ever been sustained.

-- Do you believe that the current Pakistani Government -- at the highest levels -- is really committed to effective counternarcotics efforts.

A. Prime Minister Bhutto has assured the President that counternarcotics efforts are an important priority for her government. Nevertheless, the fact that the Government of Pakistan has sometimes moved slowly on prosecutions, asset seizures, etc. may be an indication that the senior level of the bureaucracy does not always view counternarcotics as a top priority.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995  
(Updated to include information a/o 12/1/95)

D. INDIA

1. India is the world's largest licit opium producer and receives preferential treatment under U.S. law regarding the percentage of U.S. licit opium imports devoted to Indian production. However, India has had repeated and alarming problems controlling its licit production, with large discrepancies reported in stockpiles -- 800 metric tons last year -- and significant evidence of diversion from licit production to illicit markets.

- What is the current status of Indian efforts to control its licit production?
- Do you believe that the 80% U.S. market preference for Indian opium should be conditioned directly on more effective control of licit production and diversion?

A. Over the past several years, India has taken several steps to control its licit production. These include: a full inventory of opium stocks and concomitant improvement in storage practices; increasing the number of Narcotics Control Board (NCB) officials monitoring farmers (measuring fields, observing poppy lancing and policing the activities of known traffickers); decreasing the number of farmers growing opium poppies, thereby reducing the number of potential sellers; increasing the amount of opium each farmer is required to sell to the government in order to be relicensed in each of the past several years; making village headmen responsible for the actions of farmers in their villages; and offering price incentives for selling more than the minimum requirement to the government.

However, we believe diversion continues to be a problem. We continue to urge Indian authorities to conduct a

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transparent, scientifically verifiable opium yield survey. We have offered to cooperate in such a survey. There is also an urgent need to establish a reliable system to measure the moisture content of opium to reduce opportunities for diversion.

India and Turkey, as traditional suppliers, are together provided market access to 80% of U.S. demand for licit opiates.

India has been under a "two-year window" since 1993 during which it was to improve its performance in nine critical areas. The conclusions of the report prepared by the State Department and DEA for the Senate Foreign Relations Committee at the end of the two-year window are essentially that the Indians have fully complied with seven of the nine recommendations and are attempting to locate equipment which would meet the requirements of an eighth recommendation. There has been recent progress on the one remaining item, an opium yield survey. Officials of USDA met with Indian experts to discuss the design of an opium yield survey in late November. Therefore, the State Department believes that the 80/20 Rule has proven useful in achieving its major goals of a steady, reliable supply of opium and reduction in oversupply and diversion. We do not believe the preferential position of Indian opium should be further conditioned on more effective control of licit production and diversion.



Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

IV. EUROPE AND THE MIDDLE EAST - GENERAL

1. This year's INCSR identifies ten countries in Europe as major money laundering countries -- Germany, Italy, Liechtenstein, Luxembourg, the Netherlands, Russia, Spain, Switzerland, Turkey, and the United Kingdom.

- Of these ten countries, which do you assess as having effective control over the financial systems to deter money laundering?
- Are any of these countries being considered for sanctions pursuant to the President's announcement at the United Nations?
- The United Arab Emirates is also considered by the Administration to be a major money laundering country. Does it have adequate controls in place to prevent money laundering?

A. It is relevant to note that 19 of the 66 INCSR's higher priority countries are European, given that the process of evaluating performance with respect to money laundering begins with those 66 governments.

Of these 10 countries, all but Liechtenstein, Russia and Turkey are reported as being in compliance with the 1988 UN Convention, as measured by passage of enabling legislation governing the Convention's major provisions. For the 1996 INCSR as well as the process initiated by the President, we are examining other variables to measure the effectiveness of their implementing such laws/policies.

Until the evaluation process is completed, which will be within the next few weeks, no specific governments have

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been targeted for sanctions. Potentially, any government which is not in compliance with international standards could be a target first for consultations and, failing agreement, a target for sanctions.

Through the Gulf Cooperation Council, which is a member of the Financial Action Task Force, all six of the Gulf states have agreed to adopt common legislation implementing FATF recommendations and meeting the standards of the UN Convention, which all but Kuwait have ratified. However, the pace of change has been slow, and this is of particular concern with respect to the UAE, which is an important offshore banking center and tax haven and our major money laundering concern in the Middle East. The information we have at this time is that controls have been proposed but adequate controls are not currently in place.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

IV. EUROPE AND THE MIDDLE EAST - GENERAL

2. We have been pushing for many years to get our European allies more involved in providing assistance to major source and transit countries for narcotics control activities, with relatively little success. Some of the major donor countries have become more active in this area as their drug problems have increased.

- What is your current assessment of the willingness of European governments to step up overseas counternarcotics assistance, particularly in Latin America?

A. Heroin from the Middle East and South Asia remains Europe's primary drug problem, but Europeans recognize that narcotics trafficking is a global problem and support counternarcotics activities in the Western Hemisphere, too. Significant amounts of heroin continue to enter Europe from Turkey, transiting Bulgaria, Romania, Hungary and the Czech Republic. European authorities are also concerned about growing cocaine use and trafficking. European cocaine seizures in 1994 were 28 metric tons, an increase of 55% from 1993.

West European countries acknowledge the risk that Latin American illicit drug producers and traffickers pose to their countries, and contribute, both bilaterally and multilaterally, to counternarcotics programs in Latin America. The assistance provided is financial, material and technical, and includes the granting of trade preferences worth \$100 million in foreign tax revenue per year as part of the counternarcotics package. Most European assistance to Latin America is in the area of demand reduction, but they also contribute to alternative development

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projects. We are encouraging the Europeans to do even more in the region. For example, the President of the European Union met recently with the President of the Organization of American States to discuss areas for counternarcotics and anti-crime cooperation in the region. In October, the EU initialed precursor chemical control agreements with several Andean countries and expressed interest in technical and financial support for control of precursor chemicals. Also recently, the United Kingdom, together with Germany and France proposed that the EU pledge \$160 million for anti-narcotics activities in the Caribbean.

The Department encourages greater support from West European nations for counternarcotics programs in Latin America through bilateral meetings and a variety of international fora. One forum is the Dublin Group made up of EU member countries, Australia, Canada, Japan, Norway, and the U.S. Many of the European nations participate in mini-Dublin Groups in seven Latin American capitals to coordinate counternarcotics activities at a local level. These meetings help prevent duplication of assistance efforts and identify areas for additional assistance. Moreover, since the Dublin Group is composed of the world's major donor governments, it carries considerable weight when, as a group, it encourages reluctant producing nations to take stronger measures against drugs. We also encourage Western European countries and the EU to contribute to UNDCP projects. In 1995, the EU contribution to UNDCP will be about equal to the U.S. contribution.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

B. TURKEY

1. Turkey has been emerging more and more over the years as a significant transit point, primarily for Southwest Asian heroin going to Europe. But, evidence is also increasing that Turkey is becoming a significant transit point for heroin coming to the United States.

-- Do we think Turkey qualifies as a major transit country for the purposes of certification?

A. According to the National Narcotics Intelligence Consumers Committee Report for 1994, between 3 and 10 tons of morphine base were smuggled into Turkey monthly. The morphine base is converted into heroin on a one-for-one basis in Turkish heroin labs. Section 481(e)(5) of the Foreign Assistance Act of 1961, as amended, defines a major drug-transit country, for the purposes of the law, as a country "(A) that is a significant direct source of illicit narcotic or psychotropic drugs or other controlled substances significantly affecting the United States; or (B) through which are transported such drugs or substances." The State Department and other interested government agencies are currently evaluating information on the impact of trafficking in various countries in preparation for compiling the list of major drug-transit countries for the consideration of the White House.



Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

B. TURKEY

2. I noted in the INCSR that we believe that "traditional U.S. assistance enhances Turkey's investigative and interdiction capabilities with training and equipment."

-- To what assistance is this referring?

-- If you are referring to the substantial military and economic support fund assistance we provide Turkey, I am unaware that any of that money has been used for anything other than balance of payments support and acquisition of defense articles: how does this support Turkey's investigative and interdiction capabilities?

A. The assistance to which that sentence refers is twofold. Primarily, it refers to the annual \$400,000 Narcotics Assistance Program in Turkey included in the Bureau of International Narcotics and Law Enforcement Affairs (INL) Congressional Budget Presentation. The statement also refers to the training of Turkish customs, coast guard and police officials paid for from the INL training fund.

None of the monies referred to are military or economic support (ESF) funds. The narcotics program in Turkey provides primarily communications and other equipment to the Turkish National Police and Customs, demand reduction activities and supervision of the program. Training courses and equipment purchases are aimed at increasing Turkish law enforcement officials ability to investigate trafficking in the country. Some of the equipment has been directly connected with major drug seizures such as the Lucky S, described in the INCSR, and heroin lab busts.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

B. TURKEY

3. Do we have any estimate of how much heroin is currently produced in Turkey?

-- Do we believe that Turkey is addressing effectively the problem of heroin processing within its territory?

A. The National Narcotics Intelligence Consumers Committee Report for 1994 states that three to ten tons of morphine base is brought into Turkey monthly. This is converted into heroin on a one-for-one basis in Turkey. The Turkish National Police (metropolitan force) and the Gendarme (rural force) are attempting to deal with the problem of heroin processing in country. Turkish forces have had notable success in seizing major shipments of the essential precursor chemical acetic anhydride (AA). To date, seizures of AA this year exceed 68 metric tons, enough to process 68 tons of morphine into heroin.

Seizures and disruptions of heroin laboratories have occurred, but most have been small laboratories incapable of processing major quantities of heroin.

Turkish law enforcement officials generally are dedicated and committed. DEA has an extremely cooperative relationship with them. Nonetheless, many traffickers continue to elude identification and prosecution. The Administration has noted in its International Narcotics Control Strategy Report on Turkey that Turkish efforts to address the heroin problem adequately suffer from insufficient manpower resources.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995  
(Updated to include information a/o 11/27)

B. TURKEY

4. Has Turkey enacted the money laundering, asset seizure, chemical control and controlled delivery laws that were introduced late last year?

A. On November 27, 1995, the Turkish Grand National Assembly ratified the UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. However, the companion bill which included the legislation on prevention of money laundering, asset seizure, chemical control and controlled delivery has not yet been enacted. The Turkish Embassy, when notifying the U.S. of the ratification of the 1988 UN Convention, indicated that this remaining legislation is high on the agenda of the National Assembly and is expected to be finalized soon.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

C. SYRIA

1. There has been some speculation for the past few years that the Administration was considering reviewing the decertification of Syria on narcotics control issues. According to this year's INCSR, the Syrians: continued an apparently vigorous eradication campaign in the Bekaa Valley, reducing the levels of cultivation by 80%; continued active enforcement of their stiff drug laws, resulting in significant numbers of arrests; and have been cooperating with other countries in the region and in Europe on narcotics issues.

- What is your assessment of Syria's counternarcotics efforts in the first 10 months of this year?
- What deficiencies remain in Syria's efforts that would lead to continued decertification?

A. Syria made some important progress in the last year to address illicit narcotics production and trafficking. On the other hand, although Syria increased enforcement efforts against trafficking, the effort remained targeted largely against couriers and minor dealers rather than major traffickers.

Heroin laboratories operating in Syrian-controlled areas of Lebanon also remain a problem. The number of laboratories has not decreased despite dramatic decreases in opium and marijuana cultivation. It is therefore reasonable to assume that increased trafficking into the area accounts for the steady production.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

D. FORMER SOVIET UNION

1. The issue of organized crime and drug trafficking in the countries of the former Soviet Union -- particularly Russia -- and the impact of these problems on the United States and the ability to consolidate democracy in the region has been of increasing concern to this Committee.

-- Will you give us your assessment of the current threat posed to democracy in the region by crime and drug trafficking?

A. I recently returned from a visit to Moscow where I outlined the President's initiative to target international crime and urged the Russians to make fighting crime and narcotics a higher national priority. The enormous wealth available to drug traffickers gives crime organizations a powerful means of undermining justice and law enforcement systems, as well as democratic and economic reform.

The Government of Russia is bolstering its anti-crime campaign in recognition of the threat posed by well-entrenched organized crime groups. According to Russian officials, these groups are poised to capitalize on power vacuums, widespread corruption, disorganization among security forces, weak legislation, and porous borders.

Crime groups are increasingly involved in narcotics trafficking and money laundering activities. Over 15 tons of hashish, opium, and heroin primarily from Central Asia, Pakistan, Afghanistan and Ukraine were seized in Russia over the past five years. Russian authorities believe that the increased transit trade is fueling a domestic drug market, the largest in the Newly Independent States (NIS).



-2-

Concern over these problems has prompted the Russians to pursue increased counter-crime cooperation with the West and within the NIS and to develop a new antidrug campaign. There is growing sentiment within the government that much more needs to be done to target the lack of regulatory controls in the banking sector.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

D. FORMER SOVIET UNION

2. President Yeltsin has continuously said that crime is the number one national security threat to Russia and last year announced that addressing Russia's crime problem was his number one priority.

-- What is your assessment of Russia's ability to attack effectively this problem?

-- Have the Russians made any progress on this over the past year?

A. The threat to Russia is very serious. Our own national security interests are at stake--as are efforts to consolidate democracy in the former Soviet Union and Central Europe.

I was in Moscow in mid-November. I heard first hand from Secretary of the Security Council of the Russian Federation Lobov and from senior officials throughout the Russian government about the threat to reform posed by crime and drug trafficking. They are in the process of passing the laws and professionalizing their law enforcement agencies so they can more effectively stop Russian international crime.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

D. FORMER SOVIET UNION

3. If I remember correctly, the most recent National Drug Control Strategy indicated that we intended to follow the lead of the Europeans in assisting the countries of the former Soviet Union in Counternarcotics efforts.

-- Is that still our policy?

-- What have the Europeans been doing to assist Russia and the other NIS?

A. We are increasingly concerned that the potential of the escalating crime and narcotics problems in the NIS and specifically Russia is threatening democratic and economic reform. For these reasons, the Bureau of International Narcotics and Law Enforcement Affairs (INL) has provided Russia, and the other Newly Independent States, with approximately \$3 million in law enforcement training and assistance through the UN Drug Control Program (UNDCP) in 1995. This training has begun to pay dividends in terms of joint operations targeting drug and crime groups.

I recently returned from a trip to Russia where I outlined to the Russian government at the highest levels the need for a broader antinarcotics campaign that encompasses all aspects of the problem. The meetings offered an opportunity to: (1) discuss objectives in international drug control and efforts to track money laundering, and precursor and essential chemicals; (2) encourage legislative changes and the development of institutions to support drug control and to gain tangible cooperative commitments, including legislation pending in Parliament which will penalize the possession of illicit narcotics; (3) outline our various narcotics assistance programs, including INL bilateral

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support, FREEDOM Support Act funds and U.S. efforts to encourage increased UN assistance to Russia; (4) underscore the commitment we expect from the Russians, particularly in the area of implementation of the 1988 UN Convention; and (5) underscore specific areas where the Russians can support our bilateral and multilateral efforts.

During the meetings, we also reviewed the provision of USG counternarcotics training programs over the past year. We agreed on areas where we can increase the effectiveness of our law enforcement training programs.

Meanwhile, we have and will continue to promote increased European engagement on the drug issue in the Newly Independent States (NIS), but more particularly in Central Europe. We are working with the Europeans bilaterally, as well as through multilateral fora such as the Dublin Group and a task force set up under the leadership of the United Nations Drug Control Program, specifically to coordinate and develop a strategy for increasing drug control assistance through the region.

As a result, the international community has responded more efficiently to requests from the region, avoided duplication, and leveraged increased contributions through the UN and elsewhere for programs in Central Europe. In the NIS and Russia, the Europeans have been slower to respond. Nevertheless, as a result of increased USG contributions to UN efforts in Central Asia, other donors have increased their contributions to these programs. Additionally, several European governments are now seeking to provide bilateral assistance to the region.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

D. FORMER SOVIET UNION

4. As you may be aware, there have been serious concerns raised about the Administration's plan to provide police training to the Government of Georgia because of rampant, endemic, high-level corruption and its apparent influence over the government. Despite the Ranking Member's objections, the Administration decided to go ahead with this program. After this decision, a high ranking member of the security forces was implicated in the failed assassination attempt against Chairman Shevardnadze.

- What is the current status of this program?
- What controls are in place to vet any participants in this program?
- Has the Georgian Government made any serious attempt to address high-level government corruption and other criminal activity?

A. We continue to look for opportunities to support the reform efforts of Chairman Shevardnadze's government in Georgia. Reporting from our Embassy and assessments from our intelligence agencies indicate that the Georgian government continues to address the problems of crime and corruption.

The Department has supported one assessment trip and a two-person follow-on training course in forensics for the police.



Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

V. AFRICA

A. GENERAL

1. Can you provide the committee with any details on what the United Nations Drug Control Program (UNDCP) may be doing in Africa?

-- Is any of the funding in your budget for international organizations in fiscal year 1996 slated for Africa?

A. UNDCP has provided African countries with demand reduction, law enforcement, legal advice, and institution building assistance. The UNDCP estimated project budget for 1994-95 was approximately \$12.6 million. Nevertheless, UNDCP's project delivery for this timeframe was only \$7.2 million, or around 58 percent. UNDCP cites government inefficiency, absorption capacity, and low levels of preparedness as impediments to project delivery. In northern Africa, UNDCP focused on providing law enforcement training and equipment to Algeria, Egypt, and Tunisia. Regional demand reduction programs were provided through UN offices in western, central, eastern, and southern Africa. The largest UNDCP project was in western Africa where the focus was on developing drug control institutions, assisting governments to establish national coordinating bodies, and extensive training of 227 drug control officers from 16 western African countries at the newly created Abidjan Training Center.

-2-

Most of these programs are financed from general purpose contributions or specific donors such as France, the United Kingdom and Italy. The USG contribution to UNDCP supports programs primarily in areas where drug trafficking and production most directly threaten the US, or regions such as Central Europe and the Newly Independent States, where drug and crime problems threaten the development of democratic institutions. Nevertheless, fifteen percent of the USG contribution to UNDCP is traditionally left unearmarked. Such funds are applied to overhead costs and general program support.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

V. AFRICA

A. GENERAL

2. One of the efforts that this committee has been pushing for many years is to get the multilateral development banks to recognize and push the issue of narcotics control when funding projects.

-- Have we made this type of effort with the International Development Association -- the soft-loan window of the World Bank -- or the African Development Bank with respect to projects in Africa?

A. Yes. We have talked with the various multilateral international lending institutions active in Africa and urged consideration of drug control efforts in the evaluation of lending proposals.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

A. AFRICA - GENERAL

3. Another area that the committee has been concerned about worldwide is the impact of ineffective or corrupt judicial systems on a government's ability to address effectively narcotics issues.

- What is our assessment generally of judicial systems in Africa and their ability/willingness to successfully adjudicate narcotics cases?
- Are we supporting any judicial reform efforts in Africa?
- Are any other bilateral or multilateral donors supporting these types of efforts?

A. Judicial systems in Africa vary from excellent to abysmal, and their ability and willingness to successfully adjudicate narcotics cases falls within the same range.

In 1994, the Department of Justice prepared a "Manual for Compliance with the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances." We have shared that manual with many countries and understand that DOJ is preparing an updated version. When that is available, we will work with DOJ to see that it is widely disseminated.

France, the United Kingdom, and other donor nations are also working to assist Africa to develop further the judicial systems in place or help to develop new ones. The United Nations and Organization of African Unity are involved in the effort as well.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

A. AFRICA - GENERAL

4. The INCSR notes that 7 countries in Africa have signed, but not ratified, the 1988 U.N. Convention, and another 12 apparently have not taken any steps to accede to the Convention.

- Where does the issue of becoming a party to the 1988 Convention fit on our list of bilateral foreign policy priorities with those countries?
- Have we made a concerted diplomatic effort to get these countries to become parties to and implement the Convention?
  - o For example, given our new relationship with South Africa with the end of apartheid, have we expressed our desire that they ratify the Convention?
- With respect to the seven countries that have signed the Convention, but not ratified -- Algeria, Gabon, Maldives, Mauritius, the Sudan, Tanzania, and Zaire -- what is the reason that ratification has been delayed?

A. We have made concerted efforts to raise accession to the treaty as a significant step that nations can take to demonstrate their commitment to narcotics control and law enforcement. The Secretary, in his speech to the UN General Assembly, made specific reference to the threat posed to nascent and aspiring democracies by international crime, the drug trade, and money laundering. He exhorted those countries that have failed to sign and/or ratify the 1988 Convention to do so and urged those countries that have approved the Convention to move quickly to implement its key provisions. The Secretary's comments were reinforced by



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Assistant Secretary of State for African Affairs George Moose's consistent efforts in bilateral meetings at the Assembly to explore ways in which the U.S. could work with individual African nations to combat the drug menace.

With regard to those countries that have not yet ratified the Convention, the reasons vary. Some are recalcitrant to cooperate, some are hesitant over the concept of their security services being placed in a working relationship with outsiders, and others are simply stalled by disorganization, confusion, or inertia. South African accession seems to be stalled by its government's wariness of ceding authority over its internal affairs. On the matter of narcotics in general, however, the Government of South Africa has indicated strongly a willingness to cooperate and be helpful in addressing this problem, which it recognizes as being very serious.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

B. NIGERIA

1. Nigeria is obviously the biggest player in and our biggest concern with respect to narcotics trafficking in Africa. It is my understanding that we provided to the Nigerian Government a list of steps we expect them to accomplish in order to be considered for certification next year.

-- What were those conditions and have the Nigerians met them so far this year?

A. Nigeria was not certified in March 1995 based on an assessment that it had failed in 1994 to make significant progress in meeting the goals and objectives of the 1988 UN Convention.

In order to qualify for full counternarcotics certification, a country must take meaningful and committed action against narcotics trafficking and related criminal activity. The Foreign Assistance Act's narcotics chapter identifies key areas of counternarcotics performance that are considered in the certification determination. These include the performance areas identified in the 1988 UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. With respect to Nigeria, the U.S. has identified the following areas to be of particular concern:

- effective implementation of the drug control strategy and actual disbursement of an adequately funded budget;
- development and safeguarding of intelligence and evidence regarding major traffickers;

- 2 -

- cooperation to expedite to the fullest extent permitted by Nigerian law the rendition of all traffickers whose extradition has been requested; and
- significant movement against narcotics-related corruption by senior officials who collaborate with drug traffickers.

The 1996 certification report will cover achievements throughout 1995. As we see it so far, there is a counternarcotics strategy but no funds disbursed; there is some evidence of safeguarding of intelligence and evidence but not a great deal; extraditions are not being carried out with much vigor and some are, in fact, being effectively stonewalled; and there has been no significant movement against narcotics-related corruption.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

B. NIGERIA

2. As you are undoubtedly aware, the Trade Act of 1974 provides the President the authority to impose a variety of sanctions against countries that have been decertified, including denying GSP treatment to any or all products of that country and applying an additional 50% duty on any products of that country.

- Since the cut-off of bilateral assistance and access to MDB loans necessitated by last year's decertification of Nigeria seems to have had little or no impact on its willingness to attack effectively narcotics trafficking, why didn't the President exercise his authority under the Trade Act to impose additional economic sanctions on Nigeria?
- Do we not consider that threat to the United States posed by Nigerian drug trafficking serious enough to warrant additional sanctions?
- If Nigeria is decertified again next year, are you considering the imposition of any of the sanctions in the Trade Act?

A. We have been working to make optimal use of all available tools in an effort to move the Nigerian government forward in its counternarcotics performance. I note that curtailment of air transportation between the United States and Nigeria, which is one of the Trade Act sanctions available, is already in place for reasons independent of Nigeria's counternarcotics performance. We are continuing to evaluate all the alternatives.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

B. NIGERIA

3. In addition to being a major transit country, Nigeria is also a major money laundering country. Nigeria made no money laundering arrests or prosecutions in 1994.

- Have they made any so far this year?
- What is the explanation for this?
- Do you think the Nigerian legal framework is adequate to address money laundering crimes?

A. Earlier this year, Nigeria announced decrees on advance fee fraud and other fraud-related offenses and money laundering which contain provisions addressing such crimes both within and through Nigeria and Nigerian financial institutions. Since that time, Nigerian authorities have moved to arrest and seize assets of individuals suspected of money laundering. For example, several senior bank officials are currently under detention and authorities have also shut down several car dealerships in Lagos that were suspected of involvement in money laundering activities.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

B. NIGERIA

4. As far as I know, there are no restrictions or limits on the amounts of foreign currency which can be moved in or out of Nigeria. The U.S. dollar is the principal currency laundered in Nigeria.

- Have we pressed the Nigerian Government to institute such controls on foreign currency?
- If not, why not?
- If so, what has been Nigeria's response?

A. Nigeria's new money laundering decree provides that no person shall make or accept cash payment of a sum greater than 500,000 Naira or its equivalent in the case of an individual or 2,000,000 Naira or its equivalent in the case of a corporate body. Transfers of more than \$10,000 to or from a foreign country must be reported to the Central Bank of Nigeria. The decree has further provisions designed to create information registers of individuals involved in exchange transactions and require that certain transactions be reported to the Central Bank, National Drug Law Enforcement Agency, and other judicial authorities.



Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

B. NIGERIA

5. Has the Government of Nigeria introduced legislation providing for the seizure and forfeiture of traffickers' assets? While this may seem a minor detail -- since the Nigerians also appear to be unwilling to arrest or prosecute any major traffickers -- I believe enacting such legislation would be an important measure of Nigeria's political will to address narcotics trafficking.

-- Do you agree with that assessment?

-- Is the introduction/enactment of such legislation on our list of preconditions for certifying Nigeria next year?

-- If not, why not?

A. Yes. Asset forfeiture regulation is indeed an important tool to address narcotics trafficking. Nigeria's new money laundering decree specifically provides for asset forfeiture as well as other criminal penalties.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

C. ZAMBIA

1. In 1993, due to credible reports of the involvement of senior Government officials in narcotics trafficking, including several Cabinet ministers, we suspended most assistance to Zambia for I believe a period of six months. To my knowledge, this is the first time the U.S. Government has taken such an action outside of the certification process.

- What is our current assessment of Zambia's efforts to curb corruption?
- Is there still corruption in Zambia at the level that caused us to suspend assistance in 1993?
- What concrete actions has the Zambian Government taken in the last year to prevent and punish public corruption?

A. In 1993, Zambia moved to strengthen its narcotics law and the courts began to deal more swiftly with drug offenders. Zambia continues to make a concerted effort to address the problems of corruption, narcotics trafficking, and related criminal activity. It is, however, hampered by weak infrastructure and resource constraints.

Our Embassy believes that recent Zambian cooperation with the U.S. on such matters has been excellent and Zambia's Drug Enforcement Commission (DEC) personnel appear to be serious about fighting the international and local narcotics trade. We continue to explore ways to assist Zambia further in these efforts; in May 1995, the Bureau of International Narcotics and Law Enforcement Affairs (INL) provided video and associated equipment to the GOZ for use in DEC interviews and investigations.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

C. ZAMBIA

2. There are indications that the economic liberalization in Zambia has contributed to an increase in money laundering in that country.

- What is our estimate of the current extent of money laundering?
- What actions has the Zambian Government taken to curb money laundering?
- Does Zambia have currency controls, reporting requirements on large cash transactions, or "know your customer" requirements?

A. Money laundering through Zambia by regional traffickers is a serious problem. The GRZ is increasingly concerned over the issue and held a conference on money laundering in Lusaka in March 1995 to discuss development of a legal and regulatory framework to combat the problem.

Question for the Record Submitted to Robert Gelbard  
by Mr. Hamilton  
House International Relations Committee  
October 31, 1995

D. ALGERIA

1. There have been repeated allegations, particularly by the French, that the Algerian Islamic Salvation Front (FIS) are financed in part by and actively involved in narcotics trafficking.

- What is our information on the extent to which the FIS is involved in this type of activity?
- Have we been working with the Government of Algeria on this issue?
- Do we have reason to believe that any other Islamic fundamentalist movements in North Africa are using narcotics proceeds to finance their activities?

A. Although allegations of this sort are made periodically by the regime in Algiers, there is no convincing evidence that the FIS is involved in drug trafficking in an organized way to finance its operations in Algeria. We cannot rule out the possibility that individual members of the FIS deal in drugs as a means of personal livelihood. This would be particularly likely in the case of underemployed Algerian youth in France.

We have not been involved in a counternarcotics program with the regime in Algeria.

Similarly, we have not seen convincing evidence that other Islamic fundamentalist movements are financing their operations through organized involvement in the narcotics trade.

Questions Submitted by Chairman Gilman  
Committee on International Relations  
International Narcotics Control

(Responses of Mr. George Weise, US Customs Service,  
Department of the Treasury)

1. Has the level of drug trafficking across the Mexican border increased with the passage of NAFTA and the increased commerce that followed?

At the present time NAFTA has not had any appreciable effect on drug smuggling along the Southwest Border. The Mexican smuggling organizations that operate in these areas have been in existence for a number of years. They continue to use a variety of smuggling methods to move their contraband into the United States. Mexican smuggling organizations use hidden compartments in cars, trucks and RV's; commercial conveyances and cargo; private aircraft; backpackers and four-wheel drive vehicles between the ports; port runners through the ports; tunnels under the border; and small boats around the border.

One would expect the traffickers to switch methods to the use of commercial cargo if there was a perception that NAFTA rules and increases in commercial cargo crossings were overwhelming Customs. However, the most significant shift in methods that has occurred recently is the use of port runners. Port runners carry up to 800 pounds of cocaine or marijuana in their vehicle trunks. If they are subjected to any level of scrutiny they drive at high rates of speed through the port of entry endangering Customs officers and civilians who happen in their way.

While the traffickers are certainly using cargo to smuggle significant amounts of narcotics, just as they do at seaports and airports, they have not shifted away from other methods to focus their efforts on cargo smuggling simply as a result of NAFTA implementation.

Customs Operation HARD LINE is forcing smugglers to look for other methods to import narcotics. Structural and operational changes which are being implemented are specifically designed to deter and prevent smuggling through the ports of entry.

2. What initiatives do the Customs Service, DEA, FBI and other U.S. law enforcement agencies have going in the event Mexico's traffickers try to fill the shoes of the Cali cartel in drug trafficking headed for the U.S.?

Since 1990, Customs has provided air interdiction support and training to the Government of Mexico (GOM). This support has resulted in a dramatic improvement in the GOM's air interdiction capabilities and has made Mexico the model for other Latin American nations seeking to develop indigenous air interdiction capabilities.

Under the aegis of the DEA Operation HALCON, Customs maintains and operates two Citation II intercept/tracker aircraft in Mexico to assist the GOM in intercepting, tracking, and apprehending drug trafficking aircraft entering Mexican airspace. Customs U.S.-based Citations are also available, and have been employed with the permission of the GOM to track suspect aircraft within Mexico.

Customs aircraft and officers in Mexico also provide "on-the-job" tactical air interdiction training to pilots of the Office of the Attorney General of Mexico and apprehension crews of the Mexican Federal Judicial Police.

Customs plans to continue this cooperative effort with the hopes that it will continue to strengthen GOM resolve and interdiction effectiveness and stem the expansion of Mexican drug trafficking organizations.

Under Operation HARD LINE, the focus of the Customs Service is to strengthen our anti-smuggling efforts at the ports of entry along the Southwest border. Major components of this operation are directed toward enhancing the targeting of smuggling in vehicles and cargo, intelligence support and conducting investigations. As part of this initiative, Customs is moving additional resources to the Southwest border area. This initiative has already resulted in the dismantling of a major port-running organization in El Paso, Texas. The Customs Service also continues to work with the Department of Justice Southwest Border Project in attempting to curtail the smuggling of narcotics from drug trafficking operations based in Mexico.



3. Tell us about the drug detection equipment you are using along the Southwest border, its cost and efficiency, and what the future holds in the way of new technology that will be cheaper and more efficiently able to detect drugs in cargo or vehicles headed for the U.S.?

Customs maintains and operates an air interdiction capability along the Southwest border to protect the U.S. from the threat of drug trafficking via general aviation aircraft. Over the years, this network of DOD ground-based radars; Customs detection, intercept, tracking, and apprehension aircraft; and Customs radar command facilities has been very successful in forcing the drug smuggler from U.S. airways into the Ports of Entry where there is the greatest concentration of Customs officers.

Customs also capitalizes upon this existing air interdiction network to assist in identifying conveyances and/or routes that are used for transporting drugs toward or across the U.S. Southwest land border. Each day, aerostat radars detect hundreds of aircraft landing in Mexico just short of U.S. borders. Of these targets, an average of three per day are ultimately sorted by the Customs Domestic Air Interdiction Coordination Center (DAICC) as potentially drug trafficking related. Information on these types of targets is passed by the DAICC to enforcement entities at the nearest corresponding U.S. border entry location for alert/action. The information gained from identifying these short landings in Mexico has proven to be of utility to Customs, the DEA, and the U.S. Border Patrol. By knowing where, in northern Mexico, the drugs are being transported and off-loaded, these agencies can more effectively focus their land interdiction efforts on the U.S. side of the Southwest border.

To further enhance our ability to detect and maintain surveillance of drug traffickers, Customs is in the process of outfitting all four of its P-3A aircraft with high resolution optical detection systems. The Customs Airborne Stabilized Optical System (CASOS) is capable of resolving 12-inch high tail numbers off an aircraft located 5 to 8 miles from the P-3. It can also be used to great effect in maintaining covert surveillance of ground targets, including vehicles, airfields, stash houses, etc. As funding is identified, it is our intention to deploy CASOS on some of our lighter support aircraft such as the Beechcraft 200 King Air. This system has the potential to become a valuable support asset to Customs investigative and interdiction efforts nationwide.

The drug detection equipment most heavily used by Customs along the Southwest border is 25 X-ray systems and 141 gamma back-scatter devices. There are 13 van-mounted mobile X-ray systems costing \$132 to \$180 thousand each that typically

are used to examine pieces of cargo or hand-carried parcels and luggage up to the size of a large foot locker; 11 fixed-location systems costing \$130 thousand each that are installed at cargo import lots to examine cargo pallets weighing up to 600 pounds; and one prototype truck x-ray system costing \$1.3 million used at Otay Mesa, California, to examine empty trucks, cars, and other vehicles. The hand-held gamma-backscatter device or "Buster" costs \$5,000 each and is used most frequently to look for concealments in the panels, walls, tires, and gas tanks of cars and trucks.

Also located at the Southwest border ports are 22 laser range finders costing \$7,000 that are used to look for false walls in trucks, 24 dielectrometers costing \$8,000 used to detect cocaine or hashish dissolved in bottles of soft drinks or liquor, and 50 fiberoptic scopes costing \$2,900 to \$9,000 that are used to see into hard-to-examine places such as gas tanks or car doors.

All of this equipment is very effective in helping inspectors detect concealed drugs. Nationwide, these types of equipment contributed to over 1620 drug seizures in the 12-month period ending August 1995. They enable Customs inspectors either to (a) locate drugs and other contraband concealed in conveyances and cargo, or (b) determine the innocence of the vehicle or cargo, in a manner that is quicker, less intrusive, and more positive than alternative methods such as unloading, opening, or disassembling the suspect items.

Of particular importance is the effectiveness and efficiency of the prototype truck X-ray system installed at Otay Mesa. The expansion of this system to other Southwest cargo ports is a cornerstone of Operation HARD LINE. This system was developed to detect false walls and concealments in the tires, frame, or other components of empty trucks and tankers; it was not intended to examine the cargo within the trucks. In its first 14 months of operation, this system has detected 72 concealments (including 28 pounds of cocaine, 10,332 pounds of marijuana, and 19 persons) in large and small trucks, RVs, cars, a towed boat, and a trailer full of tar. Using the X-ray, inspectors can examine a tractor-trailer in 10 minutes, smaller vehicles can be done faster. As an additional benefit, we are finding that trucks loaded with certain types of cargo can be run through the X-ray system and it not only will detect concealments in the vehicle itself but also, in many cases, within the cargo as well. Even if the X-ray does not confirm whether drugs are concealed within the cargo of a suspect truck, it allows inspectors to focus their efforts on the cargo itself rather than on the vehicle. In many cases, inspectors send suspect cars from San Ysidro for a faster examination than they could perform themselves, especially if the suspected concealment is in hard-to-examine areas such as gas tanks.

The DoD Advanced Research Projects Agency (ARPA) is currently developing a mobile X-ray system for Customs that is intended to have many of the capabilities of the present truck X-ray system. Testing of this system will begin at an ARPA facility in December 1995, and operational evaluations should be conducted at Customs ports by mid-1996. The system should be capable of examining vehicles from cars to full-size trucks, but we will not know its true detection capabilities, throughput rate, operating cost, and other important parameters until ARPA and Customs conclude this test and evaluation period. If fully successful, this system could be used to examine vehicles entering at locations other than the commercial cargo ports where the fixed truck X-rays are installed. The mobility of the system will significantly enhance Customs examination capabilities at all types of ports.

Other potential future technologies to find drugs in cargo and vehicles include several improved or new methods of detecting narcotic particles or vapors, gamma radiation imaging for tank trucks and possibly railroad freight cars, and a number of other methods to recognize the unique physical signature of illicit drugs. These technologies are presently in various stages ranging from initial concept development through operational evaluation to commercial production. Customs, ARPA, ONDCP, and many other domestic and foreign enforcement agencies are extensively involved in the test and evaluation of these systems. The final determination of their value will depend not only on their technical performance, but also on their operational viability, cost, and long-term capability for changing threats.

Presently, we believe that the next generation of narcotic particle and vapor detectors will have the greatest impact on our detection capabilities. While particle detectors will still require close physical contact with the object to be examined, the new vapor detection devices should provide detection ranges and speeds comparable to that of our detector dogs and would augment and enhance this highly successful program. The cost of these devices is expected to range from \$50,000 down to \$5,000 or \$10,000 each. The gamma imaging system developed jointly by Customs and ONDCP also is expected to have considerable impact, particularly if applicable to railroad cars, but we need more data on capability and cost. Of course, we also expect the improved truck X-ray system based on the Otay Mesa prototype to provide long-term improvement in the cost-effectiveness of vehicle examination. Finally, although a different type of technology, we expect that new automated screening and targeting systems will greatly enhance all inspectional capabilities.

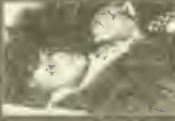
# Downfall of the Cali Kingpins



1989  
Escobar, 35, was  
captured in 1991  
after a 10-month  
manhunt. He was  
killed in 1993.



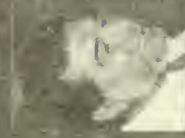
1990  
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1991  
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